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Gorbachev Still Wants Summit Despite U.S. Test Ban Rebuff

By Gary Lee
Washington Post Service

MOSCOW — Mikhail S. Gorbachev, in calling for an early meeting with President Ronald Reagan to discuss a nuclear test ban, did not intend to supplant a planned summit meeting in Washington later this year, a senior Soviet official said Tuesday.

The Soviet Union still wanted the full summit meeting with Reagan, Georgi M. Korniyenko, the first deputy foreign minister, said at a news conference, despite U.S. actions that he described as "plant and provocative."

The Soviet leader's call on Saturday for a meeting with Mr. Reagan in Europe to negotiate a nuclear test ban was not intended to replace the summit meeting that the

two men agreed on when they met in Geneva last November, Mr. Korniyenko said.

"Gorbachev did not mean that this meeting, if it took place, would supplant the summit meeting which he had agreed upon in Geneva and which would be a visit by Gorbachev to Washington," he said.

Asked whether the recent U.S. military confrontation with Libya, a Soviet ally, or other Reagan administration actions had tested the Kremlin's patience, Mr. Korniyenko said: "We are looking upon these actions as defiant and provocative."

They contradicted "the spirit of Geneva," he added, in reference to Mr. Gorbachev's meeting with Mr. Reagan in November.

Mr. Korniyenko, responding to a question, also criticized weekend reports that the United States was planning to upgrade its artillery supplies to resistance forces in Afghanistan and Angola with Stinger missiles.

"But we have strong nerves and we are not easily provoked into breaking off a dialogue," he said. "We shall continue making every effort to improve the international situation."

Mr. Korniyenko and two other Foreign Ministry officials held a news conference Tuesday to discuss Mr. Gorbachev's proposal, made in a televised address, for a meeting with Mr. Reagan in Rome, London or another European capital to discuss a ban on nuclear testing.

The White House rejected the proposal and said it planned to continue nuclear testing. In response, Mr. Korniyenko said, "we hope that Reagan has not said his final word with regards to this special meeting or the termination of testing."

He reaffirmed Mr. Gorbachev's insistence that the Soviet Union would resume nuclear testing and end its unilateral ban on testing in force since last August only after the United States conducted a nuclear test.

The Reagan administration has proposed a June date for the summit but the Soviet Union has not yet responded.



Members of the 45-man French observer force bid farewell to Lebanese troops in Beirut.

French Military Presence in Lebanon Is Reduced After Increase in Attacks

By Michael Dobbs
Washington Post Service

PARIS — France's own rightist government announced on Tuesday the withdrawal of its military observer force from Beirut following an escalation of attacks on French citizens in Lebanon.

The reduction of the French presence in Lebanon was one of the first significant foreign policy decisions since the narrow rightist victory in last month's elections. It appeared to reflect the new division of executive authority between the conservative prime minister, Jacques Chirac, and the Socialist president, François Mitterrand.

Officials at the Elysee Palace said that Mr. Mitterrand had been consulted by the new government about the withdrawal of the 45-

man observer force and had not objected. The decision itself, however, bore the stamp of Mr. Chirac, who has called publicly for a reduction in the number of potential French hostages in Lebanon.

As the former colonial power in the region, France is the favorite political target, after the United States, for extremist Lebanese factions. A total of eight French citizens have been kidnapped and are still being held by Shiite Muslim extremists, and seven military observers have been killed in the past two years.

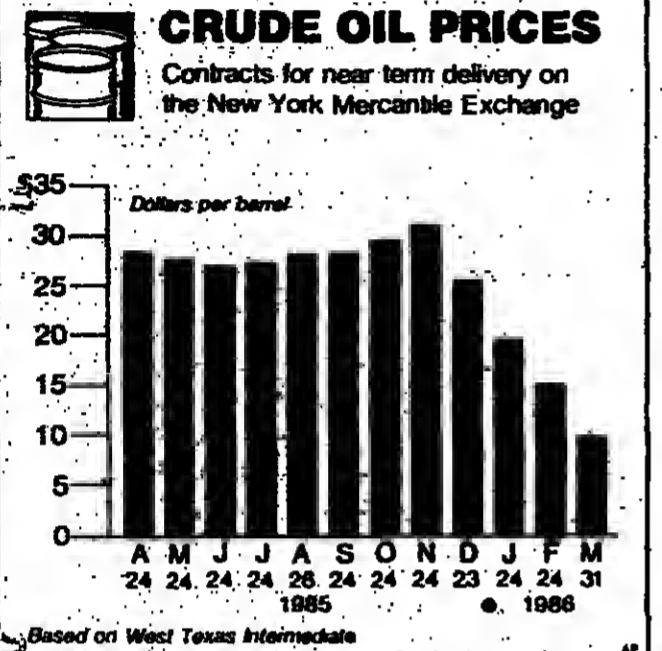
The French observer force was deployed in Beirut in March 1984 following the evacuation of the multinational force of American, French, Italian and British units. Its main task was the monitoring of

the cease-fire line between the Christian and Muslim sectors of Beirut, but the scope of its activity was steadily whittled down for security reasons.

An official in Mr. Chirac's office said that the decision to pull the observers out was made last week, primarily because the government did not want to "expose French lives for nothing." He added that it could be an indirect factor in helping to secure the release of the French hostages in Beirut.

In interviews before last month's election, Mr. Chirac said that France should reduce its presence in Lebanon to a minimum.

Around 1,400 French troops are still in Lebanon as part of a United Nations contingent in the southern part of the country.



End to Plunge Expected With Oil at 8-Year Low

By Bob Hegerity
International Herald Tribune

LONDON — Prices of some widely traded crude oils slumped Tuesday to eight-year lows of less than \$10 a barrel, but some economists said that prices probably are nearing the bottom.

A survey of half a dozen oil economists over the past week showed a growing belief that oil prices in the next few years would remain both volatile and weak, probably below \$20, compared with more than \$30 as recently as last November.

Several economists said that oil prices might remain below \$10 for a matter of months but were unlikely to remain that low for more than a year.

"In our view, we are in for a prolonged period of oil prices in the \$15 range," said Keith Hamm, a director of Petroleum Economics Ltd. in London.

"Whatever the average level, he and others predicted wild fluctuations.

"It will look like a seismograph," said Philip K. Varigier Jr., a senior adviser to Charles River Associates in Washington, who forecasts a low of around \$8.50 a barrel.

Joseph Stankiewicz, head of the European office of Cambridge Energy Research Associates in Paris, suggested that the average price would bounce in a range of \$10 to \$22 in the next couple of years.

On Tuesday, oil prices extended a sharp decline that began late Monday in U.S. trading.

Britain's Brent crude, the most widely traded North Sea variety, was quoted by Reuters in London

late Tuesday at about \$9.55 for May delivery, down from just over \$11 late last week. Dubai crude for May delivery was quoted at around \$9.25, down from \$10.50.

Less actively traded crude oils have been falling at a slightly slower rate. Most oil is still trading in a range of roughly \$11 to \$15 a barrel, analysts said. Even at that level, however, the real, or inflation-adjusted, price is at its lowest since 1973, when a brief embargo on Arab oil shipments to the West created a panic that sent prices soaring.

Because markets tend to panic and overreact, economists shy away from predicting how low oil will fall in the short term. But the price drop already is setting in motion forces that eventually will provide support to the market.

For instance, although most of the world's oil wells are expected to continue pumping even at prices far below \$10, some of the highest-cost "stripper" wells producing only a few barrels a day are being plugged up in the United States as prices fall well below production costs.

Assuming an oil price range of \$10 to \$15, Chevron Corp. recently forecast a decline in U.S. production this year of about 2 percent or 3 percent from last year's average of about 8.9 million barrels a day. If prices remained that low, Chevron estimated, U.S. production could fall by as much as about 1.2 million barrels a day, or 15 percent, by 1988.

Such a fall would be significant, since many oil experts estimate the

Aquino Retires 39 Military Officers, Retains 11 She Had Vowed to Dismiss

United Press International

MANILA — President Corason C. Aquino dismissed 39 Philippine military officers Tuesday but broke a campaign promise and extended the terms of 11 officers who served under Ferdinand E. Marcos.

The mass retirement of the officers, many of whose terms had been extended by Mr. Marcos over the protests of younger officers, left a major gap in the Philippine military hierarchy.

It left just one four-star general, General Fidel V. Ramos, the armed forces chief. He was a leader of the revolt that forced Mr. Marcos's departure in February. The remaining 32 generals have one-star ranking.

Also Tuesday, the Philippine News Agency said Communist rebels killed six civilians and wounded two in an attack on a southern Philippine village that denied them food and "revolutionary taxes."

Mrs. Aquino approved the retirements of 20 generals and 19 colonels and extended the terms of eight generals and three colonels at the recommendation of General Ramos and Defense Minister Juan Ponce Enrile, the news agency said. The presidential spokesman, Rene Saguisag, said Tuesday that

General Ramos had recommended that the 11 officers whose terms were extended assume "key sensitive positions in new armed forces of the Philippines."

Mrs. Aquino campaigned for the Feb. 7 presidential election on a pledge to retire all generals who had reached mandatory retirement age.

Among those whose terms were extended were the chiefs of the army, navy and constabulary.

Mr. Marcos's practice of extending terms of loyal generals was a major source of dissatisfaction among junior military officers, who began a reformist campaign during the final months Mr. Marcos was in office.

The guerrilla attack in the remote village of Luding, 500 miles (800 kilometers) south of Manila, brought in 369 the number of people killed in violence related to insurgency since Mrs. Aquino came to power Feb. 25.

Officials said the Communist guerrilla force, the New People's Army, raided the village after residents refused to pay a "revolutionary tax" or give the guerrillas food. The National Democratic Front, the political arm of the Philippine

Communist Party, reissued a statement Tuesday that left open the possibility of negotiating a cease-fire between the rebels and the armed forces.

The government's executive secretary, Joker Arroyo, said Monday that the government was still waiting for an official response from the guerrillas to Mrs. Aquino's call for national reconciliation and offer of a six-month cease-fire.

Base Strike Reported to End

A government official said Tuesday that negotiators have reached an agreement to end a strike by 22,000 Filipino workers at U.S. military bases. The Associated Press reported from Manila.

A union leader said, however, that he must consult members for their final decision.

"The leaders agreed to end the strike," said the deputy labor minister, Carmelino Noriel, "I am confident this is firm. I am confident they will return to work tomorrow."

The Filipino workers at Subic Bay Naval Base, Clark Air Base and a half-dozen smaller U.S. installations have been on strike for 11 days.



Mexican Red Cross and army workers began the job of recovering bodies from Monday's crash of an airliner north of Mexico City that claimed 166 lives. Page 6.

For USIA, a High-Tech Revolution Under Wick, Propaganda Agency Has Expanded Role

By John M. Goshko
Washington Post Service

WASHINGTON — A few days after the invasion of Grenada in October 1983, the director of the U.S. Information Agency, Charles Z. Wick, returned from Europe and told Alvin Snyder, head of his television and film service: "We're getting clobbered in Western Europe. Our best allies are really down on us about Grenada. We've got to do something fast to get our message across."

Eight days later, Jeanne J. Kirkpatrick, then the U.S. delegate to the United Nations, and the leaders of two Caribbean countries that supported the U.S. action held a news conference with satellite Western European journalists in five major West European capitals.

This news conference was a major step in the evolution of President Ronald Reagan's approach to dealing with other countries: Over the past five years, the former actor who built a political reputation as "the great communicator" has transformed the government's lackluster foreign-information ac-

tivities into the largest and most technologically adroit propaganda apparatus in the world.

Mr. Snyder said of the hastily arranged news conference, "When we were only a few minutes into it, you could sense we had something. I remember Wick leaning over to me in the control booth and saying, 'Al, we're on a roll. Keep that satellite up.'"

The trans-Atlantic exchange resulted in front-page headlines throughout Europe and was widely credited by U.S. diplomats with helping to blunt criticism of the Grenada incursion. It also marked the debut of the global satellite television network called Worldnet.

Worldnet has become what some USIA officials privately call "the jewel in the crown" of the administration's fascination with aggressive propaganda techniques.

When Mr. Reagan took office in 1981, the annual USIA budget was slightly less than \$458 million. This year the agency's budget is \$837 million, and the White House is

seeking \$959 million for fiscal 1987.

The Voice of America radio network has undergone a multiyear modernization costing more than \$1.3 billion to replace outdated equipment and build new transmission and relay sites. The program is aimed at extending the VOA's range, so that it can reach the central Soviet Union among other areas, and to avoid jamming.

Large sums also have gone to such ventures as the creation of Radio Marti, which beams daily broadcasts to Cuba; increasing by 200,000 a year the number of American books put into foreign circulation; a new system to teach English to foreigners; and an Artists Ambassadors program that sends talented young American musicians to tour other countries.

Some initiatives clearly have had rightist overtones. These include Project Truth, a campaign to counter Soviet disinformation; a companion "semantic corruption" drive against misuses of such words as "liberation" and "peace"; the production of "Let Poland Be Po-



Charles Z. Wick

Allegations Weigh Heavily on Kohl Party

By William Drozdiak
Washington Post Service

BONN — Every Easter for the past few years, Chancellor Helmut Kohl has adhered scrupulously to an ascetic ritual: He checks into an Austrian lakeside resort to shed some excess pounds and shore up his spirits for political challenges ahead.

This year, as he pursues his annual two-week retreat with the avowed aim of losing 15 pounds, or more than six kilograms, the conservative West German leader appears to be facing a more troubling agenda than he could have anticipated only a few months ago — and his difficulties do not concern merely an ample waistline.

With national elections scheduled for January, members of Mr. Kohl's party, the ruling Christian Democratic Union, are becoming increasingly worried about their prospects of clinging to power under his leadership.

For more than a decade, Mr. Kohl's political strength has derived from his dominance over the party apparatus and provincial voters. But now even once loyal sup-

porters are expressing doubts about his future.

On March 11 the Bonn public prosecutor announced that he was opening a second investigation into the possibility that Mr. Kohl gave false testimony before a parliamentary inquiry in Bonn into the country's biggest political corruption scandal.

Many Christian Democrats now concede that if that investigation — or another into Mr. Kohl's testimony on the same matter before a state parliamentary inquiry in Mainz — should lead to an indictment, Mr. Kohl will be compelled to resign.

His likely successor, Finance Minister Gerhard Stoltenberg, already enjoys a much higher approval rating in public opinion polls.

Christian Democratic officials openly profess that their party would have an easier time defeating the opposition Social Democrats with Mr. Stoltenberg at the helm.

The muffled response of the Social Democrats toward the beginning of judicial proceedings against Mr. Kohl appears to confirm that view. The opposition seems to recognize that a sitting chancellor weakened by scandal will represent its least formidable adversary.

Johannes Rau, the Social Democratic candidate for chancellor, also has seen his popularity slip in recent weeks. Mr. Rau is a more charismatic politician than Mr. Kohl, but his party has failed to generate much enthusiasm among voters because of confused economic and security policies.

Social Democratic officials believe that Mr. Rau could make a much better run against Mr. Kohl than against a more popular opponent such as Mr. Stoltenberg.

Ironically, Mr. Kohl's political woes have grown as his government's record has improved. Falling oil prices and soaring exports have ensured a thriving economy, which normally would guarantee political success in West Germany.

A key barometer for Mr. Kohl's political destiny is expected to come with a state election in Lower Saxony in June.

If the Christian Democrats perform poorly, Mr. Kohl is likely to encounter growing pressure to step

aside as his party's candidate for chancellor.

But his most serious personal challenge may now be the decisions to be handed down in coming months by prosecutors in Bonn and Koblenz on whether he should be indicted on perjury charges.

Both investigations result from claims filed by Otto Schily, a Berlin lawyer and leading member of the radical Greens party. Mr. Schily alleges that Mr. Kohl lied to two parliamentary committees investigating political payoffs by the Flick industrial empire in return for favorable tax legislation.

Mr. Schily alleged that Mr. Kohl, in his testimony before a Bonn committee in November 1984, had effectively covered up receipt of about \$5,000 Deutsche marks (about \$23,600 at current rates) from Flick in the late 1970s. During the inquiry in Mainz last July, Mr. Kohl said he knew nothing of payoffs by Flick.

The money ostensibly was never recorded by the party's treasury. It purportedly was pocketed by Mr. Kohl's longtime secretary, Julianne Weber.

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PEOPLE

Comic Relief Raising \$2 Million for Homeless

American comedians gathered in London for a benefit, asking television money to help the homeless.

Princess Anne knew she was being kidnapped during a trip to Brazil last week.

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In South Africa, a New Form of Protest: Alternative Rule

By Alan Cowell
New York Times Service

JOHANNESBURG — After 19 months of violence that has claimed about 1,400 lives, some of South Africa's black activists say they are seeking to complement their campaign against white rule with alternatives to official control at the local level.

The strategy does not imply expectations of an immediate black takeover of the government, but seems to aim at creating activist bodies to replace white, official control of black schools and towns.

In townships in the Eastern Cape, for instance, the activists say, the violent breakup of government-sponsored black community councils has been followed by the creation of "people's committees" charged with running the affairs of separate streets and areas and with spreading a radical political message.

Last year, the outlawed African National Congress, the most prominent of the organizations seeking the overthrow of apartheid, urged black activists to deny the

government control of black townships by making them ungovernable.

Some townships had already become anarchic, as activists were locked in daily confrontation with the police and the army.

South African political analysis says that the tactic now, sponsored by activists in the townships rather than by exiled ideologues, seems to be to replace the writ of the authorities with that of the protesters.

A conference in Durban last weekend urged rebellious students to return to their classes and argued that black protest in South Africa should henceforth challenge the authorities by setting up alternative centers of power in the townships.

"In a situation of ungovernability, the government does not have control, but over to the people," said Zwickel Sison, son of the jailed nationalist Walter Sisulu, in what was called the keynote address at the conference.

Referring to street committees in areas like the Eastern Cape, he said: "In a situa-

tion of people's power, the people are starting to exercise control."

The conference grouped scholars, parents, and teachers under the auspices of the National Education Crisis Committee, a body of black parents and political activists that is acknowledged as a negotiating partner by the white authorities. The committee seeks to represent the nation's restive black high-school students.

It has grown as part of an effort, predominantly by black parents, to end the crisis over inferior black education that has fired unrest in South Africa on many occasions in the last decade.

The fact that the committee exists, and that the government accepts it, seems to reflect a victory for the blacks intent on obliging the authorities to acknowledge black representative groups other than those the authorities themselves have set up. Black critics consider such groups to be surrogates of white influence.

The school term is to resume this week, and there has been no indication so far of how many students will heed the commit-

tee's call to attend classes. Tens of thousands of black high school students have boycotted classes in recent years, in a protest that has widened from educational grievances to encompass the more generalized harshness of apartheid.

But the call to return to classes — and to seek to implant what is called "people's education" in schools — seems to reflect a feeling that confrontation in the schools alone will not hasten the end of white rule, and that the protest must be widened to encompass parents, workers and others.

The committee has called a general strike for three days this year around the 10th anniversary on June 16 of the Soweto uprisings of 1976.

Throughout 1985, black activists pursued violent campaigns designed to deny the white authorities the ability to run many of the segregated black townships.

Some township residents refused to pay rent. Black community councilors and policemen, viewed by activists as stooges of the white authorities, were hounded from their homes.

African National Congress depicted the protest as one directed at rendering segregated black townships ungovernable.

The challenge facing black activists today, South African political analysts say, is to transform the often anarchic results of township protests into a new form of protest based on black control of the townships. The authorities deny a formal political voice to the country's 23 million blacks.

"What we are seeking to do is to decisively shift the balance of forces in our favor," Mr. Sisulu said.

If radical activists have their way, street and area committees will become the alternatives to official municipal bodies. Moreover, black students will go back to class to remold their education to their own liking, thus offering a more intractable form of resistance.

The strategy seems to imply both an acknowledgment of the armed superiority of government forces and the inability of the authorities to prevent township activists from setting up their own alternatives to official control.

Toll at 14 From Tainted Italian Wine

GENOVA (Reuters) — Three more Italians have died from drinking wine illegally laced with methyl alcohol, bringing the total death toll to 14, hospital officials said Tuesday.

A middle-aged man died in a hospital in Genova after spending five days in a coma. Ferruccio Minari, 52, had been admitted after complaining that he had gone blind after drinking the suspect wine. The police said that an autopsy on the body of a 71-year-old woman from Chiasso, near Turin, who died on Sunday, showed she had been killed by adulterated wine. A 67-year-old man who died Monday in Albenga, near Savona, also was thought to be a victim.

Magistrates have arrested two wine wholesalers and warned some traders that they could face prosecution. More than 180,000 gallons (683,000 liters) of wine have been confiscated from several bottling plants in northern Italy.

Bulgaria Accused of Repressing Turks

LONDON (Reuters) — Hundreds of ethnic Turks in Bulgaria have been imprisoned or forcibly resettled after opposing an official campaign to assimilate them, Amnesty International said in a report released Wednesday.

In a report on Bulgaria, subtitled "Human Rights Abuses During the Forced Assimilation of the Ethnic Turkish Minority," the rights organization said it also had the names of more than 100 people reported to have been killed by Bulgarian security forces since the campaign began. Amnesty International said that from December 1984 to March 1985 the estimated 900,000 ethnic Turks in Bulgaria, who constitute 10 percent of the population, were forced, sometimes at gunpoint, to change their names to Bulgarian ones.

U.S. Seeks Record Fines on Carbide

WASHINGTON (AP) — The Occupational Safety and Health Administration, in its largest enforcement action, said Tuesday it would seek more than \$1.3 million in fines against Union Carbide Corp. for 221 alleged safety and health violations at its Institute, West Virginia, chemical plant.

Labor Secretary William E. Brock called the proposed fines "a necessary and appropriate response to what we believe to be a willful disregard for health and safety." Officials said the citations were issued at the plant, where a chemical leak in August hospitalized six workers and sent 129 area residents to seek emergency care. The company has 15 days to appeal the fines, which amounted to \$1,377,300.

Union Carbide agreed last month to pay fines of \$4,400 to settle alleged violations in connection with the Aug. 11 accident. That fine had been reduced from an initial \$30,000 after the company promised to improve monitoring systems at the plant.



William E. Brock

U.S. Court Rules on Suspects' Rights

WASHINGTON (UPI) — The Supreme Court, bolstering the right to remain silent, ruled Tuesday that police cannot continue trying to obtain a confession once a defendant has requested a lawyer to help in his defense.

The high court ruled, 6-3, that police cannot question a suspect in the absence of his lawyer once he has been arraigned and appointed counsel, even if he voluntarily and knowingly waives his rights to remain silent and to have a lawyer present. The court, in an opinion written by Justice John Paul Stevens, affirmed a Michigan Supreme Court ruling that ordered retrials for two convicted murderers.

On March 12, the court ruled in a Rhode Island case that when a suspect has not requested a lawyer, police may use deception to keep a defense attorney retained by a third party away while an interrogation takes place.

Helicopter Crashes Onto U.S. Carrier

NAPLES (UPI) — A U.S. Navy helicopter crashed Tuesday night on the flight deck of the U.S. aircraft carrier America, causing minor injuries to several crew members, navy officials said.

The crash occurred while the carrier was anchored in the Bay of Augustus, off eastern Sicily, officials said. The injured were not immediately identified.

"Damage, if any, to the USS America has not been determined," said Patricia Hooks, chief petty officer with the Naval Support Activity Public Affairs Office in Naples. She declined to say what type of helicopter had crashed.

India Replaces Governor of Punjab

NEW DELHI (Reuters) — The governor of Punjab was replaced Tuesday by a veteran politician as the central government moved to bring order to the north Indian state, authoritative sources said.

The sources in the Punjab state capital of Chandigarh said that Shankar Dyal Sharma, who was in office only three months, was replaced by Siddhartha Shankar Ray, a former member of Parliament and chief minister of West Bengal since 1972 to 1977.

The replacement came as an uneasy calm, enforced by tens of thousands of policemen appeared to be holding in the state, which has been torn by violence sparked by extremists seeking a separate Sikh nation.

For the Record

The Uruguay cabinet offered its resignation Monday to allow President Julio Maria Sanguinetti to put into effect a plan to reactivate the economy and strengthen the country's new democracy. (AP)

Caspar W. Weinberger, the U.S. defense secretary, arrived Tuesday for talks in Seoul and said that South Korea was "pivotal to the peace and stability of Northeast Asia" and key to U.S. security. (UPI)

At least 21 persons were killed and 200 were swept away and feared drowned in Bangladesh when a storm overturned boats, battered Dhaka and pounded villages throughout the country, officials said. (UPI)

President Nicolae Ceausescu of Romania has elevated Defense Minister Vasile Milea to be a nonvoting member of the Executive Political Committee, the top echelon of the Communist Party, the official press agency Agence France Press said Tuesday. (Reuters)

A West German rear admiral, Klaus Jürgen Steindorff, 53, took over Tuesday as chief of staff of the Allied Forces Northern Europe headquarters, NATO's European command headquarters announced. He replaced Rear Admiral Klaus Thater of West Germany, who has retired. (AP)

Christian Churches in South Korea Are Force for Constitutional Change

By John Burgess
Washington Post Service

SEOUL — After attending a Mass in Seoul's Myongdong Cathedral one morning last week, 60 South Korean Roman Catholic priests turned in special white cards to church officials.

Each card was signed and bore an affirmation of personal support for a campaign to amend South Korea's constitution to require the direct election of the president.

That campaign was given new urgency Sunday when thousands of opposition supporters held a rally in Kwangju.

With acts like this, South Korea's Roman Catholic Church and many Protestant churches are becoming increasingly involved in the battle to remove the government of President Chun Doo Hwan, who took office in a military coup six years ago.

Cardinal Stephen Kim Sou Hwan, leader of South Korea's Catholics, has endorsed the constitutional revision drive, which has become a vehicle for expressing opposition to Mr. Chun. So has the Korean National Council of Churches, which links six Protestant denominations.

People here are drawing parallels with the Philippines, where activism by the Catholic Church was instrumental in bringing down President Ferdinand E. Marcos.

But there are deep differences, notably that Christians are a minority here, making up only about a quarter of the population, and are divided by factionalism.

Still, many church leaders command respect among people of other religions, including Buddhism, the predominant faith here, and are giving a new moral authority to the fight against Mr. Chun.

H.C. Hyun, a member of the Kuk Hoo, or national assembly, of Mr. Chun's Democratic Justice Party and a former deputy director

of the Korean Central Intelligence Agency, calls Cardinal Kim "one of the very influential intellectuals in Korea."

Mr. Hyun said that "the fact he has supported the opposition camp's position will have a very great impact."

Protestant and Catholic leaders deny that they are being partisan, apparently because of fears of provoking government response and because of their own religious dogma.

"The fundamental reason for our actions is the mission of God," said the Reverend Augustine Han, a priest who was jailed for political offenses twice in the 1970s and is now chief spokesman for the Korean Catholic Church. "When the situation requires, the church must speak up."

South Korea and the Philippines are the only East Asian countries where Christianity has taken root firmly. Catholicism, which claims about two million followers among the 40 million South Koreans, was introduced here in 1784. Protestantism arrived a century later and now has about eight million adherents, covering nearly every major denomination. South Korean skylines are punctuated with church spires.

Korean Christians traditionally have been at the forefront of movements for political change. The country's break with concepts of strictly hierarchical society in the country's Confucian heritage is often mentioned to explain this role.

Fifteen of the 33 signers of a failed declaration of independence from Japan's colonial rule in 1919 were Christians. South Korea's two best-known opposition leaders, Kim Dae Jung and Kim Young Sam, are both Christians.

Christians resisted the Communists' consolidation of power in the north after 1945, and today their

faith has been all but eradicated there. But in the south it is expanding fast — especially Catholicism, which claims a 5-percent to 7-percent growth rate a year.

The pace has picked up noticeably since Pope John Paul II's visit here for the church's bicentennial celebrations in 1984.

The Seoul headquarters of the National Council of Churches long has been a clearinghouse for dissenters and is watched closely by the authorities. The council works with families of political prisoners, which it says now number about 800, the highest figure since Mr. Chun took power in a military coup.

Like its affiliated organization, the World Council of Churches, the National Council of Churches it is often criticized by conservative Christians as turning too far from spiritual things and backing revolution.

Recently a group called the Council of Christian Leaders of Korea, which claims the allegiance of about 10,000 Protestant congregations, met at a Seoul hotel and denounced the growing politicization of the church.

"Religious people taking part in politics is undesirable," said the Reverend Choe Hun, a Presbyterian minister who heads the group.

Mr. Hyun suggests that by speaking out about politics, religious leaders in the long run are decreasing their effectiveness.

There is no sign to date that the government is working directly with conservative Christians, but the National Council of Churches says it expects that to happen.

The Reverend Carl McIntyre, an American fundamentalist evangelist, recently was seen on a government TV news program here condemning actions by the Korean National Council of Churches.



A KING'S WELCOME IN JAKARTA — President Suharto, right, and his wife greeted King Hussein of Jordan and Queen Noor on Tuesday at the beginning of their six-day visit to Indonesia. After brief discussions on the Middle East, Mr. Suharto assured Hussein that Indonesia would continue to support Arab positions in the region.

Acquitted Bulgarian Leaves Italy

By John Tagliabue
New York Times Service

ROME — A potential diplomatic dispute between Italy and Bulgaria was defused Tuesday when a Rome appeals court knocked down the last obstacles barring a Bulgarian acquitted last week in the papal shooting trial from leaving Rome.

Sergei I. Antonov, who was acquitted Saturday with two other Bulgarians and three Turks of charges that they conspired to assassinate Pope John Paul II, boarded a plane for Belgrade on the first leg of a trip to Sofia.

Earlier, a Rome court ruled there were no grounds to detain him following his acquittal for lack of evidence.

Meanwhile, the magistrate who

indicted Mr. Antonov told a television interviewer that he was still convinced of a conspiracy, despite the court's ruling.

The magistrate, Iliario Martella, compared the papal shooting with the assassinations of the Reverend Martin Luther King Jr., President John F. Kennedy and his brother Robert F. Kennedy, which the judge said "still await a definitive historical solution, from the interpretative point of view."

Mr. Martella noted that, under Italian law, acquittal "for lack of proof" meant that "evidence exists, but it is not judged sufficient to convict the defendants."

Mr. Antonov's departure had been blocked by jurisdictional confusion over the weekend, with no Italian court judging itself compe-

tent to allow his release because the Bulgarian's defense attorneys had said they would appeal the verdict and seek full acquittal.

But the Rome court ruled that Mr. Antonov was free to leave Italy since the public prosecutor had made it clear he would not seek to have the verdict overturned.

Mr. Martella, on the television show, denied charges that Mehmet Ali Agca, the pope's convicted assailant and the state's key witness, had been coached.

"If he had had a coach," Mr. Martella said, "his behavior would have been more even, more coherent."

Mr. Agca had accused Mr. Antonov of being a Bulgarian secret agent assigned to assist him in carrying out the assassination attempt.

Taiwan Is Said to Look Beyond Chiang Regime

Reuters

TAIPEI — Taiwan's ruling Nationalist Party has ended its first full meeting in two years amid signs it is taking steps to deal with the problem of who will succeed President Chiang Ching-kuo.

On Monday, the final day of the Kuomintang full session, Vice President Lee Teng-biao was promoted to one of the top positions in a move diplomats said was aimed at settling the succession issue.

He now ranks third on its central standing committee.

Although Mr. Lee, a 63-year-old technocrat, was already in line to succeed Mr. Chiang as head of the government, the move boosted his prestige in the party, which wields ultimate power in Taiwan.

Mr. Chiang, 76, is the son of Generalissimo Chiang Kai-shek, who fled with his Nationalist government to Taiwan in 1949 after losing the civil war on the Chinese mainland to the Communists. The generalissimo died in 1975.

Mr. Lee is a Taiwanese; the top leaders have up to now been mainlanders.

"I expect that Chiang Ching-kuo will name him as his formal successor," said Hu Fu, professor of political science at National Taiwan University.

Diplomats said uncertainty over who would take over from Chiang Ching-kuo stifled the government's ability to respond to a diplomatic offensive from Beijing and hindered Taiwan's economic modernization.

The three-day meeting again ruled out compromise with Beijing over reunification despite expectations that the island's growing diplomatic isolation would force it to make some concessions.

Last year, two more countries switched diplomatic recognition to Beijing, reducing the number of nations that recognize Taiwan to 23.

"Taiwan is in danger of losing its international identity," said a foreign diplomat.

Taiwan has repeatedly rejected Beijing's offers of reunification under a policy of "one country two systems," a formula China will use to reabsorb the British colony of Hong Kong in 1997.



Chiang Ching-kuo

Monday's session marked the emergence of several younger members into the central committee. A senior Kuomintang source said it was part of a plan to build a group of new leaders to run the party after Mr. Chiang.

"Strongman politics is no longer the party style," he said.

Libya: Long on Rallies, Short on Cash

By Scherzade Faramarzi
The Associated Press

TRIPOLI, Libya — "We have no government; we have the people," said a Libyan official when asked for a comment on the U.S. 6th Fleet's withdrawal last week from the Gulf of Sidra.

The remark reflected Colonel Moammar Qadhafi's philosophy that the population of every village and town has an equal say in running the country. In theory, therefore, there is no Libyan government.

The theory generates its own language, way of thinking and behavior.

In Libya, the people speak Arabic. But to understand them, you need to know "jamahiriya." That word, which Colonel Qadhafi uses to describe his nation, literally means "country of the masses."

If you ask street directions for a "jamahiriya" ministry, you will be greeted by raised eyebrows. Officially there are no ministries, only "ammanas" or "secretariats."

Political slogans can be baffling. On the back of tourist postcards and on bronze plaques above hotel reception desks, visitors to the country are advised that "the party system aborts democracy."

Libyans themselves are bombarded with similar slogans, on street billboards, banners, walls and on television that every night shows hours of street demonstrations in support of the government.

But the reality can be very different. For example, when Colonel Qadhafi staged a mass rally outside his heavily guarded Tripoli residence on Friday evening, television viewers around the world saw thousands of Libyans apparently acclaiming the colonel's threat to strike at U.S. military bases.

In fact, the organized mob often paid little attention to his usual words. They repeatedly interrupted their leader by yelling slogans that had little to do with his speech.

When Colonel Qadhafi was giving his own detailed version of the U.S.-Libyan confrontation in the Gulf of Sidra, the crowd began shouting support for his 1969 revolution.

While he was heaping praise on Sudan, the demonstrators started chanting, "Down with America."

Colonel Qadhafi talked on, his face expressionless. But several times he abruptly banged his fist on the podium in front of him to silence the crowd.

Foreign reporters recognized several demonstrators as function-

aries who hand out propaganda publications to the press each day and who work with the official Libyan news agency, IANA.

In a half-empty supermarket in the Tripoli bazaar, an employee insisted that the store maintained a full supply of food — even though the only items on display were tins of milk, tomato paste and tea.

"Qadhafi wants to cut down on imports," said an embassy official who asked not to be identified. "There is a slogan here which says 'people who eat from overseas are not independent.' Qadhafi wants to make Libya self-sufficient."

Another diplomat, who did not want to be identified by name, said that Libya was short of cash for imports because oil revenues had fallen sharply as a result of the world decline in the price of petroleum.

Libya had cut its oil production to 900,000 barrels a day by February from 1.3 million barrels a day in December, he said.

"But they still insist on buying a lot of arms from Moscow," the diplomat said, "and the Russians want cash for supplying them. If you want to buy SAM-5 missiles, you've got to pay for them."

Avi Pazner, a spokesman for the Israeli Foreign Ministry, said, "These rumors and falsified documents are usually spread by the present regime in Tehran with the view to discredit the previous regime."

The Flower project, according to the documents, involved the production of missiles with warheads weighing 1,650 pounds (750 kilograms), with a range of up to 300 miles (485 kilometers).

Some of the papers date from July 1977, two months after Israel's Labor government fell and Menachem Begin became prime minister. It was then that the shah, concerned about the viability of the military deals he had signed with Mr. Peres, dispatched General Toufanian to Israel.

Mr. Weizman tried to convince General Toufanian of Iran's need for an advanced missile, according to a conversation recorded in the documents.

"You must have a ground-to-

ground missile," Mr. Weizman said. "A country like yours with F-14s, with so many F-4s, with the problems surrounding you, with a good missile force, a clever and wise force."

Israel's development of the missile was so far along that General Toufanian was able to witness a firing during his visit.

"It was beautiful, beautiful, a fully developed missile," he recalled.

There was a serious political problem of how the United States would react when it learned that its missile was being secretly worked on by a country with a nuclear capability.

In the documents, Mr. Weizman said the missile could carry a nuclear warhead.

"All missiles can carry an atomic head, all missiles can carry a conventional head," he said.

A summary of a conversation on the same day between General Toufanian and Moshe Dayan, then the Israeli foreign minister, said:

"General Dayan raised the problem of the Americans' sensitivity to the introduction of the kind of missiles envisaged in the joint project. He added that the ground-to-ground missile that is part of the joint project can be regarded as a missile with a nuclear head, because with a head of 750 kilograms it can be a double-purpose one."

The Israeli general is described as saying that "at some stage, the problem will have to be raised with the Americans."

Although the Israelis never said explicitly that they had a nuclear ability or that they were willing to turn over such a capability to Iran, it was implied in the discussions, General Toufanian said.

"When you read these pages, there is no doubt about it," he said. General Toufanian added that he was not interested in a nuclear weapon at that time, but "that did not mean we would not be interested in another decade."

THERE'S ONLY ONE GIN FOR THE WELL-INFORMED.

Code Name 'Flower: Israel's Secret '77 Plan to Sell Missiles to Shah of Iran

Code Name 'Flower: Israel's Secret '77 Plan to Sell Missiles to Shah of Iran

By Elaine Sciolino
New York Times Service

WASHINGTON — Before the fall of the shah of Iran in 1979, Israel was involved in a multi-billion-dollar project to modify advanced, surface-to-surface missiles for sale to Iran, according to documents said to have been left in Tehran by Israeli diplomats.

The documents reveal that the Israelis told the Iranians that the missiles could be fitted with nuclear warheads, although this possibility was not pursued. The two sides agreed that if Iran wanted a nuclear ability, this would pose a problem with the Americans.

The Israelis left shortly before the 1979 Islamic revolution. The Israeli papers, in English, were published in paperback by the Iranians who seized the American Embassy in November 1979. The Iranians have published more than 50 volumes of secret documents found in the embassy.

Code-named "Flower," the Israeli-Iranian project was one of six oil-for-arms contracts signed in Tehran in April 1977 by Shah Mohammed Reza Pahlavi and Shimon Peres, then the Israeli defense minister.

The two countries intended to keep the proposed missile improvement secret from the United States.

Although American officials were aware that Israeli and Iranian military leaders had exchanged secret visits, they did not know the nature of the discussion, according to former U.S. intelligence officials.

The possession of surface-to-surface missiles was part of the shah's plan to turn Iran into the most formidable military power in the Middle East. For the Israelis, the deal offered a guaranteed oil supply as well as financing for advanced military research.

Israel was still perfecting the missile when Ayatollah Ruhollah Khomeini came to power in Febru-

ary 1979 and halted cooperation with Israel.

Two Iranian officials involved, General Hassan Toufanian, the arms procurer, and Admiral Kamal Habibollahi, the navy commander, said in interviews that the conversations recorded in the documents were genuine. Both now live in the United States.

Ezer Weizman, who took over as Israeli defense minister in May 1977 and who is a member of the cabinet under Prime Minister Peres, did not deny that the documents were authentic.

"Obviously we had relations with Iran and I knew General Toufanian personally," Mr. Weizman said. "I had many conversations with him both in Tel Aviv and in Tehran. But I don't think it is appropriate that I, as former minister of defense and as a minister in the Israeli cabinet, should comment on affairs of state backdated to 1977."

Other Israeli officials called the papers a forgery.

groud missile," Mr. Weizman said. "A country like yours with F-14s, with so many F-4s, with the problems surrounding you, with a good missile force, a clever and wise force."

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D BRIEFS

Tainted Italian Wine... more Italians have died from alcohol, bringing the total...

1 of Repressing... hundreds of ethnic Turks in Bulgaria...

rd Fines on Car... The state...

on Suspects'... the Supreme Court...

governor of Punjab... The government of Punjab...

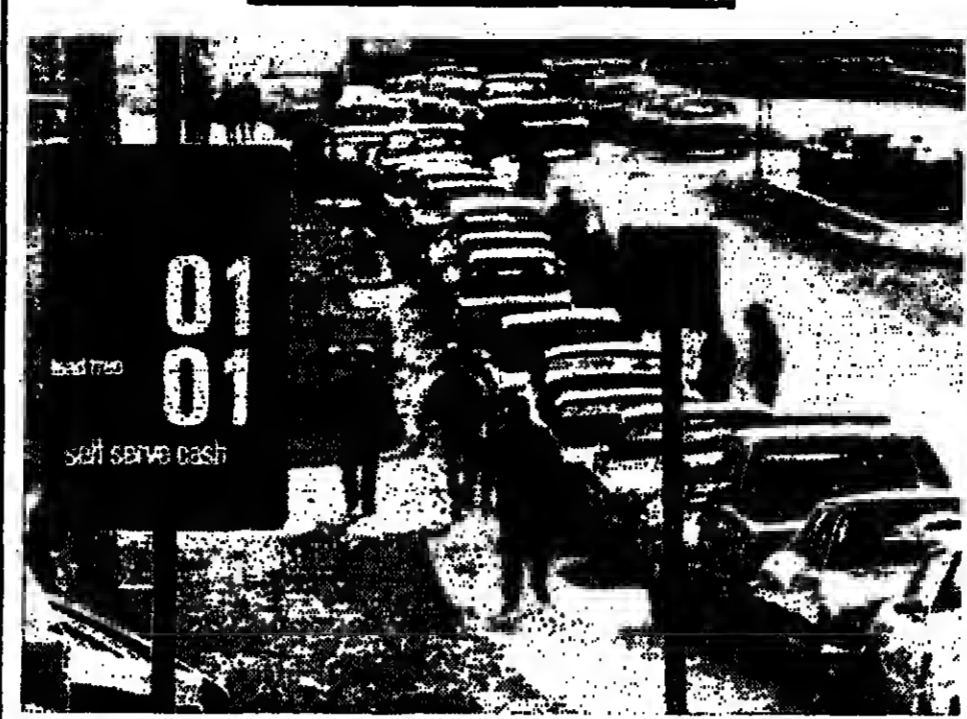
Shah of Iran... U.S. Says Bomber Is on Schedule

Astronauts' Dissent: Favoritism Alleged

Some Charge Threat of Losing Flights Is Used to Curb Discussion of Safety

By Charles Fishman... "In order to be promoted, to get good assignments, you learned to read the wind..."

AMERICAN TOPICS



CUT-RATE GASOLINE — About 400 motorists lined up before an Indianapolis gasoline station opened to begin selling gas for one cent a gallon, with a 10-gallon limit.

Press Uses High Tech Against NASA Secrecy... A kind of electronic war game has broken out off the coast of Florida...

The Good Old Days Of \$400 Wrenches... Norman R. Angus, recently named head of Martin Marietta Corp...

Short Takes... Americans want advice on everything — personal finance, diet, politics, sex...

Advocates of handgun control... The 10,000-plus political consultants in the United States receive up to \$200 million in every two-year election cycle.

U.S. Is Ending Routine Checks Of Sanitation on Cruise Ships

By Ralph Blumenthal... The decision to stop routine inspections was conveyed to leaders of the cruise industry by letter on March 4...

However, figures provided by John C. Yasuk, chief of the agency's vessel sanitation inspection program...

The latest inspection report, dated March 14, listed 40 ships as having passed their regular sanitary inspection and 26 as having failed.

Explaining its decision, the Centers for Disease Control pointed to a rise over the years in the number of ships meeting its standards.

Canada MP Ends 22-Day Fast... OTTAWA — Jacques Hebert, 62, a member of Canada's Senate, ended a fast Monday that he had begun 22 days earlier...

BAUME & MERCIER GENEVE 1830 Aldebert PARIS: 16, place Vendôme... Tax-free for export

Illegal Aliens Face Evictions by U.S.

By Lee May... WASHINGTON — The Reagan administration has announced that illegal immigrants will be evicted from federally subsidized housing...

What do you do without an American Express Card when you've reached your limit on the others?

Advertisement for American Express Card featuring a stylized illustration of a person and text: "You can hope your prayers are answered, or you can apply for the Card."

Advertisement for Abu Dhabi Inter-Continental Hotel: "In Abu Dhabi our hotel is the ultimate in luxury for business and relaxation. ABU DHABI INTER-CONTINENTAL HOTEL"

U.S. Says Bomber Is on Schedule

WASHINGTON — The air force's program to produce a strategic bomber is on schedule and within cost limits, a U.S. Air Force commander said Tuesday...

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Agca: Method in Madness?

"The trial of the century" has ended as it began nearly a year ago, with Mehmet Ali Agca shouting that he is Jesus Christ. That claim is too much for any court, and the state of mind it suggests made it finally impossible to corroborate Mr. Agca's other assertions. Was he hired by Bulgaria to shoot the pope in 1981 and paid \$1.2 million for it? Three Bulgarians and three Turks have now had to be acquitted for lack of proof that such a conspiracy existed. The equivocal Italian legal formula is comparable to the "not proven" allowed in Scottish law.

Lack of proof means just that. For 10 months a conscientious Italian magistrate took testimony from 50 witnesses in six countries. Every effort was made to confirm the details of a 1,200-page indictment based on Mr. Agca's allegations that he had been hired in 1980, with Soviet approval, to kill the Polish pope. The only solid find was a confession by a Turkish laborer, Omer Bagci, that he had delivered the gun used by Mr. Agca in St. Peter's Square.

That proved a conspiracy, contradicting Mr. Agca's initial assertion that he had acted alone. But it is meager fruit after so much effort. No trace was found of the money Mr. Agca claimed to have received and no credible witness confirmed his account of meetings with the Bulgarian security police. No one pro-

duced rental records for the Hertz car that Mr. Agca said was parked near the Vatican to which he was fleeing after the shooting.

Is Mr. Agca mad, an inspired fabulist or the instrument of a different conspiracy to implicate the Soviet bloc? On all counts, the same verdict applies: lack of proof.

Despite the instant Bulgarian claims of vindication, the riddle of Mr. Agca's Balkan sojourn remains. After slaying a Turkish editor and escaping from prison, he turned up in Sofia with a false passport in the summer of 1980 and managed to stay at leading hotels. Bulgaria refused to cooperate with the Italian inquiry and provided no explanation for its hospitality to a Turkish terrorist, a member of the right-wing Gray Wolves. How did Mr. Agca know so much about Bulgarian Embassy personnel in Rome? Not all his knowledge could have been gleaned, as Bulgarians claim, from the Italian press. It's likely that Bulgaria was complicit with Mr. Agca at least in gun and drug smuggling, and that there was a Bulgarian link with extremists in Turkey.

If the Italian proceeding was remiss, it was in its failure to dig more vigorously into Mr. Agca's Turkish past. That may well hold the key to this mystery and explain the method in Mr. Agca's madness.

—THE NEW YORK TIMES.

Delaying War on Managua

President Reagan has snatched a meager victory from the Senate. It has approved \$100 million for the U.S.-backed "contra" rebels by a wobbly 53-47 — but only after Mr. Reagan submitted to delays that he had vigorously opposed. The unconditional aid he wanted was voted down, 60-39. The compromise moves back to the House, which narrowly balked at the aid package, for another vote on April 15. This means there is still a chance to strengthen diplomacy before plunging into a wider war.

The pattern of voting should keep Mr. Reagan from claiming a clear, Tonkin-like mandate for a fight to finish off the Sandinista regime. Polls taken after his strident prime-time plea for war showed only one of three Americans clearly in favor of arming the contras. And the hedged Senate vote came directly in the wake of excited allegations of a large-scale incursion into Honduras by 1,500 Nicaraguans pursuing the contras.

It appears that there was indeed a battle in the remote jungle area known as the Las Vegas triangle — just as there was 10 months ago, when perhaps 1,000 Sandinistas penetrated the region. That incident passed almost unnoticed, whereas the latest clash was depicted as a brazen invasion requiring \$20 million in emer-

gency aid to Honduras and the involvement of U.S. helicopters. What this incident most clearly underscored were the risks of Americans joining the battle, despite Mr. Reagan's angry insistence that he means to avoid it.

To win the semblance of a victory, the president yielded to Senate demands for a 90-day delay in delivery of \$75 million in arms aid, to spur talks between the Managua junta and the contras. Since the Sandinistas scorn such talks, this delay appears to be a clumsy, save-face device. But the House can insist on a further stipulation — that Congress be given a chance to review the aid after direct negotiations with Managua have been attempted. It could define achievable goals for these talks: border security, elimination of foreign bases and advisers, verifiable reductions in weaponry. A determined president can always ignore such restraints, and even evade a flat prohibition on aid to the contras. But even a war needs realistic objectives, and an aimless policy can at least be restrained by the presence of Congress. As Senator Bob Dole, the majority leader, argued, only a policy with broad support can be "sustainable and credible." No such broad support is yet evident in Congress.

—THE NEW YORK TIMES.

Korean Grievances Remain

One cheer for President Chun Doo Hwan, who has changed his style of dealing with South Korea's political opposition. He decided that a heavy hand only alienated Koreans and aggravated foreign concern, especially in the United States.

Over the weekend, Mr. Chun permitted 50,000 people to conduct an anti-government rally — in Kwangju, no less, a place where he embittered many citizens with a bloody crackdown on protesters in 1980. Kim Dae Jung, the opposition leader, was barred, but many others spoke and the large crowd chanted "down with dictatorship."

Mr. Chun is wise to prevent official repression from rubbing politics raw. But the grievance at the heart of the crisis remains untreated. Then a general, he took power in 1980 and wrote a new constitution. Under it, a successor is to be elected, to a seven-year term, in 1988; it would be South Korea's first peaceful transfer of power. But the constitution, providing for indirect voting by electors, ensures that the president will be able to handpick his

successor. It rules out an amendment to allow popular election until the president is in office. The opposition wants the constitution to be amended now. The government says that such an amendment should wait until at least 1989.

Given the calendar, the opposition's amendment campaign would have started up now anyway. There's no doubt, however, that the surge to democracy in Manila has made an impact. That America ended up supporting the Philippine movement encouraged the opposition in Seoul and sobered the government.

The authorities in Seoul want that the amendment campaign is "a cover... to bring about the overthrow of the existing constitutional order." But this is hardly so. In Korea, traditional favor for order and conformity may "coax" uneasily with Western democratic ideals," as the State Department suggests. But an appreciation of complexity cannot be allowed to rationalize police rule. Koreans, an increasingly confident and sophisticated society, are surely competent to run their affairs.

—THE WASHINGTON POST.

Other Opinion

Gorbachev's Diplomatic Tool

Mikhail S. Gorbachev has already proved himself to be a skillful manipulator of international public opinion. He has turned a lumbering, insensitive and predictable Soviet publicity machine into a modern, subtle tool of diplomacy. On the international stage it has often seemed as if the Soviets had invented public relations, with the Americans looking the crude novices in the art. Even President Ronald Reagan, the great communicator,

found himself outcommunicated by the Soviet leader. Mr. Reagan's rejection of the Soviet nuclear test ban proposal was immediate, predictable and right. The test ban issue cannot be divorced from nuclear disarmament generally, which is to be the main subject for discussion at the planned summit in the United States.

It does not matter that once again Mr. Gorbachev appears to have won the public relations battle. The Americans are right to look to the substance... not the wrapping.

—Today (London).

FROM OUR APRIL 2 PAGES, 75 AND 50 YEARS AGO

1911: Mexico's Revolt Is Her Own
NEW YORK — The New York Tribune says: "One of the most unfortunate features of the Mexican border episode has been the readiness — we might say the zeal — of some Americans to impute the worst motives to their own Government in the operations which it has been performing. It was obvious that the massing of our army near the Mexican frontier was an act which called for the utmost discretion. Yet the moment it was undertaken there was a chorus of unwarranted and intemperate comments ascribing to our Government either inaptitude or wickedness. In Mexico and throughout Latin America the suggestion was entertained that the United States was seeking in Mexico's domestic troubles an opportunity for aggressive and spoilation. To sober citizens such a notion seems fantastic."

1936: Austria Orders Conscript
VIENNA — As a reply to Adolf Hitler's move in the Rhineland, and after consultations with Premier Mussolini during Chancellor Kurt von Schuschnigg's recent visit in Rome, general compulsory public service prior to conscription was established in Austria (on April 1). In official circles it is claimed that the measure should not be regarded as a one-sided revision of the military clause of the peace treaty of Saint-Germain forbidding Austria a conscript army, although other military restrictions contained in the treaty have been dropped before with the connivance of the powers. Tanks and military flying machines were acquired long ago, although the treaty banned both. The bill makes all male citizens of Austria between 18 and 42 liable for service. They can be called up for public works, or for defense of the state.

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Gorbachev Isn't the Master of Soviet Policy... Yet

By Stephen F. Cohen

PRINCETON, New Jersey — Ever since Mikhail Gorbachev became Soviet leader a year ago, most American commentators have overestimated his personal power and underestimated his commitment to domestic reform. Additional confirmation of those misperceptions was provided by events preceding and during the 27th party congress, which ended on March 6.

In contrast to his three aged and infirm predecessors, Mr. Gorbachev has revitalized the office of general secretary and become an activist leader. But there is no evidence that he has established "an iron grip on power." Eleven other voting members sit on the post-congress Politburo. Overwhelmingly, they own their careers to Leonid Brezhnev or Yuri Andropov, not to Mr. Gorbachev. Several may be his reliable allies in various disputes, but few are his unconditional supporters in matters of major policy — where they have exhibited different approaches — or personnel. Thus, while Mr. Gorbachev had the votes to oust Viktor Grishin as Moscow party boss and from the Politburo, he failed in similar moves against Mr. Grishin's counterparts in the Ukraine and Kazakhstan, Vladimir Sheberitsky and Dinnukhamed Kusev.

All the Politburo oligarchs have their own networks of clients to promote, so there is no reason to assume, as is usually done, that only Mr. Gorbachev benefited from mass personnel changes in other party and state organizations during the past year. As general secretary his patronage is the largest but not a monopoly, as indicated by the 307-member Central Committee announced at the congress. Many of the approximately 125 new voting members have ties to other powerful politicians, and 60 percent of all the members are holdovers from the Brezhnev era who are unlikely to enthusiasm about the de-Brezhnevization campaign.

Moreover, Mr. Gorbachev and his loyalists have been relatively candid about the persistence of high-level constraints on their ability to shape policy, particularly in the traditional conservative state ministries. In-

forming the congress that "even now the demand for radical change gets bogged down," Boris Yeltsin, the new Moscow chief and a candidate Politburo member, went further. He admitted that such opposition is also rooted in the "Central Committee apparatus as a whole." Since the general secretary is head of that apparatus, Mr. Yeltsin's revelation casts more doubt on the extent of Mr. Gorbachev's power.

Most American commentators have also concluded that Mr. Gorbachev is not a real reformer — only a



complaints associated with proponents of market-orientated change since the early 1960s. Rejecting "half-measures" as well as "old stereotypes and practices," he called for "radical reforms" and "the boldest steps." He even evoked Lenin's introduction of the New Economic Policy, which marketized large parts of the Soviet economy in the 1920s and remains a model for many radical reformers.

Mr. Gorbachev's deputy for agriculture did the same, embracing the NEP principle that if market relations grow alongside a predominant

kind of thaw. He is neither a democrat nor a Western-style liberal, but his year in office has already brought a significant relaxation in political and cultural life. His demand for more candor about economic and social problems has spread quickly to major newspapers, literature, film and the theater. Characteristic themes of the Khrushchev thaw have reappeared, from attacks on official privilege and corruption to criticism of the "gray flood of backwash" in state-controlled culture. Censorship is being pushed back, however tentatively, and in the Soviet system that is a process of political liberalization.

Although Mr. Gorbachev's thaw serves his reformist purpose, it is acquiring its own momentum. In a February interview with the newspaper *Sovetskaya Rossiya*, the poet Andrei Voznesensky insisted, "People are now mature enough to see and read everything." Similarly, long forbidden political viewpoints are being reasserted. Before a cheering theater audience, the popular writer and bard Bulat Okudzhava recently assailed Stalin for "the blood you made flow like water," while a mass circulation magazine described the Khrushchev era as "positive." Privately, even some high officials are predicting a "new cultural spring." Such developments may not improve the treatment of avowed dissidents, but they respond to the aspirations of millions of Soviet citizens and thus deserve attention.

It is too early, of course, to foresee the contours of the Gorbachev era, or even to be fully confident that there will be one. He has restored the general secretaryship as a leadership position, reemphasized the principle of fundamental change and created a political atmosphere of reform. But, faced with legions of conservative and neo-Stalinist defenders of the status quo, he is still far from being the master of power or policy. With the nature of the Soviet system at stake, we may be certain only that the struggle will continue.

The writer is professor of politics at Princeton University and a frequent commentator on Soviet affairs.

Unable to dictate policy, the Soviet leader has moved cautiously and assuaged conservative anxiety with his calls for order and discipline and his avoidance of dramatic appeals to the liberal intelligentsia.

The Elusive Ibis: China Launches Rescue Campaign

By Zhang Zhi-Yen

LANZHOU, China — In 1979 the Chinese Academy of Sciences accepted an important challenge: Find the ibis.

The ibis, one of the rarest birds in the world, is known as "the jewel of the East." It was classified as an internationally protected species in 1960. The bird had disappeared from the Soviet Union and Korea; five were kept in cages in Japan, but had lost their ability to reproduce. To save the ibis from extinction, there was no alternative but to place hopes in our country, China.

The ibis, called in Chinese *shahu* or *honghe*, used to be widely distributed throughout China. In the 1930s they were known to live in 14 provinces. But in the 1960s, only a few specimens were found, and no traces were seen in the wild.

To attempt to search China for a bird missing for 20 years was like finding for a needle in the ocean. The task was undertaken by Liu Ying-zeng, a scientist in the Animal Research Institute. He spent three years observing and studying, traveling 30,000 miles (about 48,000 kilometers) across 13 provinces, climbing mountains and wading across rivers, eating in the wind and sleeping in the dew.

The result: Not only did he not find any sign of ibis, but he found few habitats where ibis could live. He did, however, find why it was at the edge of extinction. With its big body and brightly colored feathers, the ibis has many natural enemies. And because it is vulnerable to illnesses, its natural death rate is high. More important, the ibis requires three things to build a nest: a high, dense forest; pools where its food lives; and secluded surroundings. In the last 20 years many forests have been thinned and new agriculture

techniques have reduced the number of pools. Pesticides, chemical fertilizers and industrial development has polluted water sources.

Mr. Liu came across three ibis feathers in a hunter's home. It was said that the bird had been shot only two or three years before.

Returning to the institute, Mr. Liu found strong support for continuing the search. The institute provided a cross-country vehicle, more money and a set of slides to educate people in the countryside about the ibis.

In Yang County, Shanxi Province, just as Mr. Liu was about to abandon his search there, a peasant who had seen the slides in the cinema came to tell him he knew where to find a live ibis. Mr. Liu was doubtful because local peasants usually do not draw a distinction between many similar birds, for example cranes, egrets and herons. Nevertheless, he accompanied the man to the mountains, and then on a three-mile walk to Jingjiahe. There was a nest, bigger than that of a heron and simpler than that of a magpie. Some bird-talon prints were nearby. Mr. Liu was sure that an ibis had recently looked for food there.

He tramped up hill and down dale for two days. Returning to Jingjiahe on the afternoon of the third day, at last he saw what he was looking for: an ibis, flying from east to northwest. They pursued the bird and six days later thought they had found the Jingjiahe ibis from the No. 1 nest, as they called it, eating something in a field. But an old peasant in the village said that it was a local ibis, with a nest nearby. Mr. Liu found the

tree with the nest, which contained three nestlings. Mr. Liu decided to camp there; food was sent to him once a week from the town.

Because Mr. Liu on the first day did not move from under the tree, the parent ibis dared not return to feed its babies. That evening, he heard something fall to the ground. He checked his torch but did not find the nestling until the next day. It was injured and very cold and tired. He asked a village boy to collect some live snails and a frog. Mr. Liu cut them into pieces with scissors and fed them to the nestling. When it recovered it was put back in the nest but perhaps it carried a bit of human smell, for its parent regarded it as foreign and ignored it. Mr. Liu was obliged to keep the nestling while he awaited instructions.

When the news got around that a live ibis had been found it caused a sensation in the zoological community. But by the end of 1981, only seven ibis had been found and government departments took emergency measures to save the creature. Anyone offering leads to its world got rewards. Anyone killing the birds would get punished. Paddy fields were expanded and limitations were imposed on agricultural chemicals.

Last May there were 17 ibis living in the wild, but only half of their eggs survived. Of them, only 21 nestlings hatched, and nine of them died. Authorities say that for the ibis to come back from the edge of extinction, at least 500 pairs must live. They are hoping for international cooperation. China needs modern scientific knowledge to save this bird from extinction.

The writer lives in Gansu Province, China. He contributed this view to the *Los Angeles Times*.

Kenya's New Prosperity Is Precarious

By Peter Passell

NAIROBI — Kenya seems a cherry place these days. After years of economic misadventure, luck is smiling again on this island of stability in East Africa. Thanks to drought in Brazil, Kenya's earnings from coffee exports have skyrocketed. Tourism benefits from the success of the film "Out of Africa." Kenya's hills for imported oil and debt service are falling. More foreign exchange will thus be available to create jobs and boost productivity.

But for all the good news, one fact clouds the country's prospects: The average Kenyan woman bears eight children — the highest fertility rate in the world. As a result, Kenya's economy must grow 4 percent a year to maintain the annual per capita income of \$400. As Nairobi's economic planners admit, the time for reform is running out. Without major gains in population control in the next decade, the likelihood of Kenya joining the developed world is remote.

The rich, volcanic soil of the central highlands supports intensive cultivation. Kenya's Kikuyu farmers have proved to be classic "peony capitalists," committed to profit through innovation and resource management. Even Kenya's tolerance for official corruption seems to serve this vital sector. Most of the wealth skimmed by politicians has been plowed into farmland.

Firm output can be doubled by the end of the century, planners figure, without heavy investment in irrigation. This would permit annual growth of about 5 percent, enough to keep incomes rising and perhaps create a surplus needed to begin serious industrialization. But after that, returns will diminish sharply in agriculture. Unless fertility rates are halved, the burden of keeping bellies full may overwhelm the development effort.

The odds are long. Male-dominated tribal cultures control children's wealth. Their views are reinforced by Roman Catholic missionaries, who provide much of the health care in the poorest areas and oppose family planning. The government has only recently begun to challenge this wisdom. Just one Kenyan in eight practices birth control.

The only thing outsiders can do is offer money and technical assistance. America isn't even doing much of that. Someday, perhaps, we will accept our responsibility to help these gentle people achieve a decent living standard. Someday better be soon.

The writer is a member of the editorial board of *The New York Times*.

Why America Erred In the Gulf of Sidra

By Anthony H. Cordesman

WASHINGTON — Taken at face value, the United States has just completed a successful military action — entering the Gulf of Sidra without loud posturing, waiting for Libya's Colonel Moamer Qadhafi to make the first move, and replying with just enough force to show that we retained freedom of the seas.

Unfortunately, America's latest encounter with the colonel cannot be considered outside its broader historical and political context. From this perspective, the United States has been far less successful. The limited encounters in the Gulf of Sidra fell far short of being a convincing demonstration of U.S. strength. They did not give credibility to President Ronald Reagan's overblown rhetoric. Seen from within the Middle East, the United States is still the nation that lost in Vietnam and "rede-

played" from Lebanon: It is the nation that could do nothing to prevent Israel from invading Lebanon, and that could not save the Shah of Iran or later protect its own hostages.

The Gulf of Sidra incident is a situation where America could not benefit from exerting legitimate rights. To most of the Third World the action has done nothing but demonstrate that Colonel Qadhafi can attack a U.S. fleet and get away with it. It has not discredited the Libyan strongman; it has discredited America. He is the mouse that roared. We are the cat that failed to catch him.

If we are to change this situation, we have to understand the world we live in. The unfortunate reality is that Mr. Reagan's rhetoric may play well in Peoria, but it does little more than embarrass most of our allies.

U.S. allies feel that the president has done far more to glorify terrorism than to fight it. They feel that he has "spoken stickily and carried a big soft." The terrorists get a maximum of publicity and self-glorification with very little fear of "martyrdom."

In fact, most of our closest friends in the Middle East feel that Mr. Reagan has again made Colonel Qadhafi seem to be the Arab who can challenge the United States without suffering more than the loss of a few ships and a Soviet-supplied surface-to-air missile site.

Arab perceptions are even more negative, and are influenced by much broader policy issues. The United States seems to have stopped any real

efforts at bringing peace to the Middle East, and seems to lack any clear policy or strategy for supporting friendly Arab states like Tunisia, Jordan, Egypt and Saudi Arabia. The Reagan administration seems to be unable to move its defense and security assistance program for the Middle East through Congress. We make no friends in the Arab world when we cannot both maintain our commitment to preserve the security of Israel and provide military support to Jordan, Saudi Arabia or other conservative Arab states.

The United States also seems to be unable to distinguish between a true terrorist like Colonel Qadhafi or Abu Nidal and the rest of the Arab world. Terrorism is not just a problem for the West. In fact, more people die of terrorist incidents in Lebanon in any given week, and indeed the bulk of all its victims are from the Middle East.

We also seem to be unable to balance our condemnation of Palestinian terrorism with a demand for human rights for the millions of Arabs who have been under Israeli occupation since 1967. More than half the Arab world is under age 16 and has lived its entire life during a time in which Israel has occupied Gaza and the West Bank. When America or Israel is attacked, much of the Arab world perceives what we call "terrorism" to be self-defense.

This does not mean that we should tolerate terrorism or abandon Israel. It does mean, however, that we need a far more realistic and professional approach to terrorism and to dealing with the Middle East.

Mr. Reagan has spoken stickily and carried a big soft, U.S. allies say.

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Cigars for Moral Minority

Regarding "Cigar Smoking: A Matchstick Away From Greatness" (March 5), the Tribune shows moral courage. Brute majority rules the world but individuality thrives on eccentricity.

A. MAWAZ, Kuala Lumpur.

Shoes and Communism

In response to the report "3000 Pairs of Shoes: What the Marcoses Left Behind" (March 10):

Is there any correlation between Imelda Marcos's shoe collection and the growth of the Communist movement under the Marcos regime? A political scientist might argue that the advance of Communism is proportional to the corruption and greed of our so-called authoritarian friends.

DORIE BRODIE, Zurich.

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Dog owners stopping to talk while walking their pets near a Warsaw housing development.

Dog Owners vs. Polish Government Higher Taxes May Force Abandonment of More Animals

By Michael T. Kaufman
New York Times Service
WARSAW — In Poland, a country of 37 million people, where meat is rationed and apartments are difficult to find, there are said to be seven million or eight million dogs.
Poles evidently are willing to make sacrifices for their dogs. People who line up for meat and live in close quarters are seen walking Afghans or St. Bernards as well as more compact breeds. In every neighborhood, there are men and women who keep three or four and even more dogs.
A film director said recently that the love of dogs was a tradition carried over from the days when the often impoverished rural aristocracy set standards of behavior.
"A man was judged by the way he treated his horse, his dogs and his wife, often in that order," said the director, Wojciech Marczewski.
But now the relationship between people and dogs is being threatened by higher local dog taxes that in some communities are costing dog owners the equivalent of a surgeon's monthly salary.
"We all know there are too many dogs," said Bozina Wahl, a painter who shares her attic apartment with four dogs and five cats. "But raising taxes so steeply will not reduce the number of dogs. It will just increase the number of strays, cause misery for the animals, bring suffering to their owners. It is irrational and counterproductive."
Miss Wahl owns an art gallery and is one of three

Prime Time to View Comet Nears Its End

The Associated Press
PASADENA, California — The next two weeks will provide the last good views of Halley's comet from the Northern Hemisphere, but the comet will not be seen from northern Europe, the northern third of the United States and similar latitudes.
Viewing will be excellent from the Southern Hemisphere for the first half of April and fairly good from April 25 through May 14, periods when bright moonlight will not interfere, according to Steve Edberg, an astronomer with the International Halley Watch.
Mr. Edberg said Monday at the Jet Propulsion Laboratory here that the next two weeks are "the last of the best viewing periods from the Northern Hemisphere."
Mr. Edberg and officials of Griffith Observatory in Los Angeles urged comet watchers to go to a dark viewing site far from city lights and to carry binoculars. He said lights, thin clouds, fog, smog and even high humidity would easily obscure the comet as it hugs the southern horizon.
Observers north of 42 degrees 36 minutes north latitude — roughly that of Bastia on the island of Corsica; Sapporo, Japan, and Detroit — will not see the comet because it will not rise above the horizon, Mr. Edberg said.
But he said that viewing would be easy only south of about 40 degrees north latitude, a line running roughly through Madrid, Ankara, Beijing and Columbus, Ohio.
From south of this line, the comet will be visible just above the southern horizon. It will be easiest to see when it reaches its highest point above the horizon.
VIENNA — President Patrick Hillery of Ireland arrived Tuesday in Austria for a four-day state visit scheduled to include talks with President Rudolf Kirchschlager.

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Equality for Women in Zimbabwe Is Challenged by Traditional Values

By Sheila Rule
New York Times Service
HARARE, Zimbabwe — The friend of a newly widowed woman traveled to her home to offer sympathy. When the visitor arrived, the widow asked if she could borrow cups, saucers, spoons and forks to serve the other expected guests.
The family of the widow's husband had taken most of her belongings. Under traditional law, they were entitled to do so.
The incident was told by a lawyer here to illustrate the low status of women on the African continent and the influence of cultural values in a nation that is attempting to create greater equality for women.
When the government of Prime Minister Robert Mugabe passed the Legal Age of Majority Act in 1982, the law was hailed as a major step toward winning women's rights. It gave women over age 18 improved legal status, transferring the right to arrange marriages from the parents to the daughter, allowing women to own property apart from their husbands and to enter into business contracts.
But four years later equal rights remain a distant concept. Both men and women, particularly those in

Irish President Visits Austria
VIENNA — President Patrick Hillery of Ireland arrived Tuesday in Austria for a four-day state visit scheduled to include talks with President Rudolf Kirchschlager.

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Helaba Frankfurt is also at home in key international markets, operating for example full service branches in London and New York as well as a Luxembourg subsidiary specializing in Euromarket transactions and private banking.

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ARTS/LEISURE

Béjart, Old and New, By Paris Opéra Ballet

By David Stevens
Paris — Maurice Béjart has been a definite presence in Paris lately. His Ballet of the 20th Century has just completed a six-week run at the Palais des Congrès...



Eric Vu An (left), Aïeth Francillon in Béjart's "Arepo."

'Made in Bangkok': Human Exploitation

By Sheridan Morley
International Herald Tribune

LONDON — A serious and strong new play in a commercial London theater almost invariably means one presented by Michael Codron...

state to marry the other man's daughter. In a painfully touching and blackly funny couple of acts, we accompany the tourists on a voyage of agonizing self-discovery...

THE LONDON STAGE

through the eyes of the natives. What he sees is a travagelogue of English embarrassment and repression in which the corruption of the flesh is everywhere.

Far and away the best of the three or four plays about AIDS that have surfaced on either side of the Atlantic is Larry Kramer's 'The Normal Heart'...

The Radio City Music Hall's New Look

By Thomas Morgan
New York Times Service

NEW YORK — It was a peculiar sight. At a concert of the raucous, heavy-metal rock group Twisted Sister at Radio City Music Hall last January...

and dark red marble walls — continues to produce at least one stage show a year with the Rockettes and its resident Symphony Orchestra...

Buddhist Orchestra Debuts in Beijing

BEIJING — Communist China's first Buddhist orchestra made its debut with a performance at a Beijing temple of 15th century music...

Back in the U.S.S.R.
The Associated Press
MOSCOW — Copies of two Beatles albums — "A Hard Day's Night" and "A Taste of Honey" — were an immediate sellout in their debut at Soviet record stores over the weekend...

WORLDWIDE ENTERTAINMENT PARIS-FRANCE advertisement featuring a photo of a woman and text about a revue.

DOONESBURY comic strip panels with dialogue like 'I CAN'T GET OVER THIS MARRIAGE! HOW COULD I HAVE AFFORDED ALL THESE nice things?' and 'LIKE I SAID, HONEY, THERE'S ONLY ONE WAY, THE DUKE HAS MARRIED A MAJOR SKIM!'.

Dining Out restaurant directory listing various establishments such as VEGETARIAN RESTAURANT, LA GAUDRIOLE, CARR'S, AUBERGE DU CLOU, PRUNIER TRAKTOR, SHOGUN, LE GRAND CHINOIS, KERVANSARAY, LE BYBLOS, AUX DELICES DE CEYLAN, LE PROCOPE, LA MÉDITERRANÉE, LE JOCKEY, L'OREE DES CHAMPS ELYSEES, LA ROTONDE, and LA CALAVADOS.

The Frequent Business Traveler Study advertisement featuring a photo of a man reading a newspaper and text about international news and market research.

Did your mirror like you this morning? Biotonus advertisement for a health supplement, including the text 'BIOTONUS MAY BE THE SOLUTION TO SOME OF YOUR VITAL PROBLEMS' and 'Biotonus means regeneration'.

INSIGHTS

Phnom Penh Recovers Slowly From Horrors of the Khmer Rouge

By Nick B. Williams Jr. Los Angeles Times Service

PHNOM PENH, Cambodia — Eight years ago, this once-beautiful French colonial capital was a ghost town, with all but two of its broad boulevards barricaded with iron sheeting, its villas empty, its only occupants the Khmer Rouge and a few thousand civilians dragged to serve the tyrannical regime.

Pol Pot and his twisted Communist ideology ruled here then, after a peasant revolution that left no room for others. The urban classes were driven to the countryside in a huge upheaval in which hundreds of thousands died of starvation or disease on communal farms and vast work projects.

So-called educated Cambodians — often simply those who wore glasses or spoke a foreign language — were executed as dangerous influences. At least a million Cambodians died under Mr. Pol Pot's disastrous experiment.

At Tuol Sleng, a Phnom Penh elementary school that was converted into a torture chamber, confessions of spying were squeezed from innocent men whose wives and children were confined with them for good measure. Those who survived the torture were taken outside the city and killed.

A handful of prisoners who showed artistic talent were set to another task. Mr. Pol Pot, who cloaked himself in mystery and was so shadowy that many did not believe there was such a man, apparently was about to start a cult of personality. Buses of Mr. Pol Pot were turned out, to be distributed around the country. The new government has put them on display at Tuol Sleng, which is now a museum to the horrors of those days.

Today Phnom Penh is rising from the prostration of the Khmer Rouge period, still on its knees but inching upward.

Flowering trees, which Mr. Pol Pot had replaced with coconut palms in his determination to build an agriculture-based communal society, have been restored along some of the boulevards. Parks that had been taken over by weeds have been mowed, and flowers have been planted.

The new Vietnam-backed government is looking ahead, but the problems are huge. And try as they may, the people cannot erase the past.

WHEN Vietnamese troops drove the Khmer Rouge from the capital in January 1979 the city dwellers who had been expelled to the countryside four years earlier began streaming back. "It was a pitiful sight," said Ngo Dien, the Vietnamese ambassador in Phnom Penh, who came in with the troops in 1979. "They had nothing, just a few utensils and clothes that they carried on their heads."

They took an empty apartment — first come, first served, Neary Neal, a Foreign Ministry aide, said. "I settled in a new place. Once I went back to see my family home, but it was too much. It touched me too deeply." Almost all of her family died under Mr. Pol Pot, she said, some by starvation, at least one by execution — "my sister, by injection."

Sao Yon, 43, deputy director of the state tire factory, was one of the few who stayed on under the Khmer Rouge. His skills were necessary to the military effort.

"We worked one shift here, from 6 A.M. to 11 P.M.," he recalled. "We were given two meals a day, two kilograms of rice for every 10 workers, plus some vegetables in the pot and maybe a small fish. That was in harvest season. In the dry season, we got rice gruel."

Sao Yon estimates that there were about 10,000 people in Phnom Penh in those years, just the military and the civilian factory workers. Wives and children had been sent to the countryside, he said.



Pol Pot, left, the rebel leader who "destroyed our country materially and technically" according to Yao Tiv, Cambodia's deputy minister of planning. "We inherited all the debris of destruction." Overcoming the destruction, in which at least a million Cambodians died under Mr. Pol Pot's disastrous experiment, the official said, means starting with the bare land, so peasants now are permitted to sell their produce on Phnom Penh's private market. Boats arrive from the countryside each morning at dawn, unloading fruits, vegetables and poultry for the market, below.



Commerce Director, The New York Times

Now his 450 men work three eight-hour shifts, he said, adding: "They understand hard-ship. They're happy enough. They have a salary and rations, and they can grow vegetables at home."

Food is Cambodia's biggest problem, its greatest obsession. "Pol Pot destroyed our country materially

and technically," said Yao Tiv, deputy minister of planning. "We inherited all the debris of destruction. We are not a developed country. We have to begin with the bare land. In the next five years, we have to solve by any means the problem of food."

In the capital, where people have money, the food markets are full. On the banks of the Tonle

Sap River, which flows from Cambodia's bountiful great lake to join the Mekong River outside of Phnom Penh, cargo boats arrive from the provinces each dawn, their holds filled with vegetables, fruits and fish.

In some provinces, the situation is far worse. The continuing guerrilla war and a lack of irrigation have restricted agriculture. My Sa-

medy, dean of the medical faculty at the University of Phnom Penh, said that people in seven of the country's 19 provinces suffer to some degree from malnutrition.

Another immediate problem in Phnom Penh is jobs. An estimated 600,000 people live in the city now, almost one of every 10 Cambodians. A handful of factories produce textiles, auto tires,

cigarettes, pharmaceuticals and lumber, but there is not enough work.

The streets are lined with traditional Asian shop-houses: a store downstairs and living quarters above. But many are shuttered or have few goods to offer. There are a few good restaurants, many small cafes for rice or noodle dishes, ubiquitous beauty shops and any number of bicycle repair operations.

Salaries are low, but apartments and utilities are free, and for those with connections, there is money to be made in the government-controlled free markets. A pair of smuggled foreign jeans costs about 1,200 riel, about four months' salary for a government worker. The cost is equivalent to \$40 at the official rate of exchange, \$9 at the black market rate. A fresh-market Sony tape recorder costs \$150, and sellers want U.S. dollars only.

At the Monorom Hotel, where many Western visitors stay, a can of Heineken beer costs \$1, less than in Bangkok. Cambodia produces no beer or liquor of its own, most of the former coming from Vietnam and the latter from the West.

Fighting along the Thai-Cambodian border has blocked the land route for foreign goods, but enterprising Thai and Cambodian smugglers have been bringing them in by sea, insiders say. "We neither open nor close that trade," said Yao Tiv of the Planning Ministry, referring to smuggling. "But if the law is broken, we will of course prosecute." He did not disclose where the line is drawn.

An English-speaking pedicab driver said: "Pol Pot banned commerce of any kind. He banned currency. He blew up the national bank." He pointed to a vacant lot, and said, "It was there. It was the most beautiful building in all Cambodia."

THE Pol Pot regime also destroyed the automobiles. In April 1975, when the Khmer Rouge came to power, bringing down the government of Lon Nol, the initial joy over the end of war turned to panic as Mr. Pol Pot's intentions for his revolutionary society became clear. The wealthy families of the capital piled into their cars and headed for safety.

According to Neary Neal, the Foreign Ministry aide, they did not get far down Highway 1, the road to Saigon, which fell to the Communists a week after Pol Pot took Phnom Penh. At a point about 10 miles (16 kilometers) out of the city, she said, "the rich were relieved of their cars by the Khmer Rouge, and the vehicles were destroyed on the spot."

The country became an automobile graveyard and the local people use the hulks to shore up dikes.

Now there are cars in Phnom Penh again, not many but seemingly as many as or more than there are in Hanoi, the Vietnamese capital. Some are new, driven in from Vietnam by diplomats or aid workers. Some are pre-Pol Pot models, perhaps hidden during the years of horror and now lovingly restored.

Schools, banned under the Khmer Rouge, are the most obvious achievement of the new government, as with most traditional Communist regimes, which put a priority on the learning and propaganda value of the classroom.

More than 4,000 students, age 6 to 15, attend Chatomuk School, in morning and afternoon sessions. There are not enough textbooks or qualified teachers, said the director, Ti Kay, 47. But he said the staff is making progress. It has been difficult because 75 percent of the country's teachers were killed, according to the director's estimate, under the Khmer Rouge.

Buddhist temples, closed and damaged under the Khmer Rouge, have reopened, but religion is not promoted and the state uses buildings within the compounds for schools. The monks who survived Mr. Pol Pot have returned, but they are old men, and men under the age of 50 are, with few exceptions, barred from being monks.

Making Farming Pay: Company Applies New Methods to Develop Crops of the Future

By Keith Schneider New York Times Service



A field of jojoba in Bakersfield, California, left. Frank Kasunic, vice president for finance at Agrifuture Inc., inspecting buds on one of the plants.

BAKERSFIELD, California — Long before the farm crisis became apparent, Gordon Fisher recognized that one of the secrets of making money in agriculture was to grow something other than conventional crops.

So in 1979, after years of declining profitability, Mr. Fisher disbanded his 15,000-acre (6,000-hectare) farm management concern. Then, with four partners and \$16,000, he formed Agrifuture Inc., a thoroughly unconventional agrusiness group that focused its research and development efforts on nonedible desert shrubs such as buffalo gourd, prickly pear, cranberry, kenaf and jojoba.

"The focus of American agriculture has got to change," said Mr. Fisher, 48, of Sacramento, California.

"The world doesn't need so much of our corn or wheat anymore," he said. "I say, let's find new crops and use our technology to refine, fractionate, purify and extract from them resins, fuel, new chemicals — the really valuable components."

Two years ago Agrifuture added an aquaculture division and began producing catfish and striped bass in pools filled with warm water pumped from an underground geothermal reservoir.

And Agrifuture is working with a Colorado engineering group to develop high-energy fuel

pellets, made from tall grasses, that could be used by electrical generating stations.

All over the United States farmers are embracing the idea that the key to survival is to diversify. But no other farm group, according to the U.S. Agriculture Department, is doing more to explore the commercial opportunities in alternative crops.

"This outfit is ahead of everybody," said Paul O'Connell, a deputy administrator at the Agriculture Department. "We've been talking about new crops for years, but these guys are making something happen."

AGRIFUTURE has made its mark by acting more like an aggressive high-technology startup concern than a traditional agricultural operation. "We are looking to become a totally integrated company," said Mr. Fisher. "We want to grow the crop, harvest, process, market and sell it. That's where the big money is. The only way you can do that today is to work with new crops."

The company has 18 full-time employees at its offices and fields near Bakersfield. Several executives serve as consultants for alternative crop development projects elsewhere in the United States and overseas. Among the most interesting is the company's work with kenaf, a relative of cotton, that could become another source of paper pulp.

Recently, Kenaf International, a concern Agrifuture jointly owns with the local newspaper, The Bakersfield Californian, was awarded a \$100,000 grant by the Agriculture Department

to help develop a kenaf industry in the South and Southwest.

Although competitors acknowledge that Agrifuture has performed a valuable service, they say that the company's public relations department is better than its research division.

"I admire Gordon Fisher and his group for all the work they've done to establish new crops," said Ron Kadish, an independent agronomist from Los Angeles who helped Israel to establish a jojoba industry. "But sometimes these guys act more like promoters than farmers."

Agrifuture has a slick brochure for every project. But Agriculture Department scientists confirmed that much of the company's research was first-rate.

Nor is Agrifuture lacking in management shrewdness. The corporation has attracted American and foreign investors and established a series of limited partnerships to finance its projects.

Last year Agrifuture's net income was \$114,000 on revenue of \$2.4 million. This year, the company expects to top \$3 million in revenue.

THE principal source of income comes from developing and managing 3,500 acres of jojoba, a shrub native to the nearby Sonoran Desert. The shrub produces oil that is used in cosmetics and is priced at more than \$40 a gallon.

Agrifuture is credited with doing much of the early agronomic work on jojoba: improving breeding varieties, developing cultivation meth-

ods and irrigation practices for a plant in the first stages of domestication. Agrifuture also joined with a Michigan farm equipment maker, BEI Industries, to design and manufacture a mechanical jojoba harvester.

About 45,000 acres of jojoba have been planted in California and the Southwest, and experts say they hope that by the mid-1990s the jojoba industry will gross millions of dollars each year.

Another promising Agrifuture project, according to the Agriculture Department, involves a plant that grows to 16 feet (almost 5 meters) in six months and has a fibrous structure suitable for making high-quality paper at less cost than paper made from softwood.

Agrifuture began six years ago to collect kenaf varieties from Thailand, Taiwan and Guatemala. Workers have been cultivating the primitive varieties in the company's research fields east of Bakersfield.

In 1982, Kenaf International was formed with The Bakersfield Californian and with Charles Taylor, a Maryland researcher considered to be the world's leading authority on the plant.

So far the group has invested more than \$200,000 in the crop, some of it paid to a farmer in Del Rio, Texas, to raise kenaf for seed. Kenaf International now has the largest store of the seeds in the world.

A worldwide debate is taking shape over development efforts in which entrepreneurs corner the market on a biological resource. Their antagonists argue that seeds are a common heritage of mankind and profits from their development should be shared in some fashion.

Vice President, a Novelist, Emerges as a Key Sandinist Strategist

By Stephen Kinzer New York Times Service

MANAGUA — As Nicaragua's confrontation with the United States intensifies, Vice President Sergio Ramirez Mercado has emerged as one of the principal Sandinist strategists.

Mr. Ramirez, 43, is perhaps the most unlikely member of the Sandinist directorate. He has never taken part in a battle or worn a uniform, and he holds no rank in the ruling Sandinist Front. Yet he has become the most important civilian in the Nicaraguan government.

He is often assigned sensitive tasks, such as meeting recently with a U.S. congressional delegation that was equally divided between supporters and opponents of President Ronald Reagan's policy toward Nicaragua.

One member of the delegation, Representative G.V. Montgomery of Mississippi, is clearly no friend of the Sandinists. The conservative Democrat voted in favor of sending \$100 million to aid the anti-Sandinist rebels, and after a

quick visit here, he said that he would vote that way again.

But before departing with the three other members of Congress who accompanied him, Mr. Montgomery did have one good word to say about the Sandinists. It was a compliment for Mr. Ramirez, who met with the visiting legislators for an hour.

"He was low-key, and he was conciliatory," Mr. Montgomery said of Mr. Ramirez. No agreements were reached, but the two men apparently parted with mutual respect.

Mr. Ramirez was mainly known as an author before he joined the junta formed in 1979 after the Nicaraguan revolution. He was elected vice president in 1984, when Daniel Ortega Saavedra became president.

"Sergio is as steady a hand as the Sandinistas have," said one foreign ambassador. "As chaotic as things seem here, you get the feeling that without him they would have been much worse."

Receiving influential foreign guests is only one of Mr. Ramirez's many responsibilities. Mr. Ortega also has designated him to oversee main-

tenance of roads, bridges, communications and the like, a vital but complex job that requires coordinating the work of various ministries and local governments.

Mr. Ramirez also has been given special responsibility for the educational and criminal justice systems. He is a member of the National Planning Council, Nicaragua's top-level economic planning group, and is one of three officials who regularly advise Mr. Ortega on foreign policy.

As a university student in the 1960s, Mr. Ramirez took part in anti-government protests. But he chose to pursue literature and went abroad. In the 1970s he settled in West Berlin to write a novel and considered an offer to join the film department at the Pompidou Center in Paris.

But then he read of a spectacular operation carried out by Sandinist commandos in Managua in December 1974. They had seized prominent hostages and won a large ransom and freedom for imprisoned militants.

"That news gave me a renewed desire to come back and join the fight," Mr. Ramirez recalled.

"Otherwise, I would have become just another intellectual lost in the jungles of Europe."

He returned to Latin America and began working with the Sandinist underground, few of whose members had Mr. Ramirez's educational and cultural credentials. He provided information on government corruption to U.S. journalists and politicians, represented the Sandinists on several diplomatic missions and organized a civilian opposition group called Los Doce, or The Twelve.

Some say that in those days Mr. Ramirez was hiding his commitment to the Sandinists.

"We were told that The Twelve was going to be a coalition of different kinds of people opposed to the dictatorship," said Arturo José Cruz, a member of The Twelve who became a colleague of Mr. Ramirez in the revolutionary junta but later broke with the Sandinists. "Instead, it turned out to have been a Sandinista project with a few of us added as adornments."

MR. Ramirez said that those who thought his stay in Europe had given him a social democratic ideology were mistaken. He described himself as sympathetic

to Marxism, citing Antonio Gramsci of Italy and José Carlos Mariátegui of Peru as Marxist theorists who influenced him.

Writing remains Mr. Ramirez's passion. His published work includes essays, short stories, a book of fables and two novels, one of which, "The Blood Searched You," has appeared in 13 languages. He is considered one of the most talented Central American writers of his generation.

Mr. Ramirez still works at his fiction, but he devotes most of his energy to the daunting task of governing.

One day Lea Guido, then Nicaragua's health minister, was listening to an aide explain the bureaucratic reasons that a new X-ray machine could not be brought into the country for at least several months. The aide said the Central Bank would have to approve the request for foreign currency, that commercial authorities needed to approve a series of papers, and that many other steps would have to be completed before the machine could be imported.

Frustrated, the minister interrupted her aide. "We can't wait that long," she said. "Get me Sergio Ramirez on the phone."



Sergio Ramirez Mercado

Handwritten signature or note at the bottom left of the page.

Handwritten note: 051 on top

INTERNATIONAL MANAGER

Outside Directors Are Wary Of Britain's Insolvency Law

By SHERRY BUCHANAN
International Business
LONDON — Board member seats may be getting too hot for the liking of outside corporate directors. In both the United States and Britain, corporate board members are now more likely to be held financially liable personally for bad management decisions.

U.S. outside directors earn an average of \$19,500 a year. Nonexecutive directors, their British counterparts, earn an average of £5,000 (\$7,400) a year.

Most British liquidators and business associations believe that greater accountability will make nonexecutive directors better businessmen. According to them, nonexecutive directors will start paying attention to the day-to-day financial management of companies.

Under the new law, the courts will have to judge whether directors who kept borrowing money "knew or ought to have concluded that there was no reasonable prospect that the company could avoid going insolvent."

The heaviest penalty for wrongful trading is payment of the entire corporate debt. If the director cannot pay, he is declared personally bankrupt and his assets sold.

Liquidators now must report to the Department of Trade and Industry on all the directors, recommending that those who do not meet certain criteria be disqualified. A disqualified director cannot serve on a corporate board for the following 15 years.

Some say that by keeping detailed minutes of board meetings, outside directors can limit the risk.

U.S. Plant Orders Fall 1.4%

Construction Up in February

WASHINGTON — Orders to U.S. factories fell 1.4 percent in February, the largest decline in almost a year and a half, the government reported Tuesday.

The Commerce Department said orders totaled a seasonally adjusted \$198.6 billion in February, down from \$201.4 billion in January.

In another report Tuesday, the Commerce Department said construction spending rose 1.2 percent in February, much of that coming from a 2-percent increase in single-family houses and a 10-percent rise in industrial construction.

The department said the decline was mainly the result of a 30-percent drop in orders for military equipment and to a 10-percent decline in orders for petroleum products.

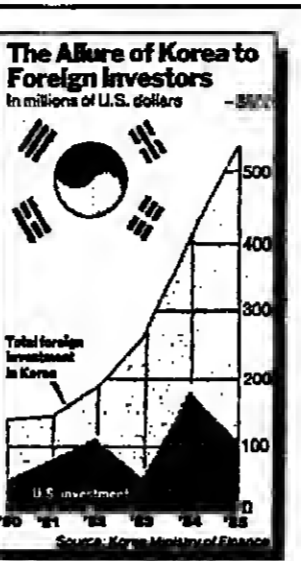
Factory construction increased 10 percent in February to \$17.7 billion, after an 8-percent drop in January.

In the report on factory orders, the department said the decline in orders for petroleum products was directly related to the worldwide drop in oil prices.

Durable goods — those that are expected to last at least three years, which include defense orders, declined 1.2 percent to \$107.2 billion in February, the department said.



Donald M. Frain of Korea Industrial Leasing Co. Inset, George Cobbe, president of Samsung Hewlett-Packard.



U.S.-Korean Ventures: Compatibility Is the Key

By Susan Chira
New York Times Service
SEOUL — When Amoco Chemicals Corp. and Samsung Co. of South Korea embarked on a joint venture some years ago to produce polyester fibers, they ran into an unexpected hitch.

The standstill was resolved amicably and now Samsung Petro Chemical, in which the Japanese company Mitsui & Co. holds a minor stake, has both dividends and a new factory.

Difficulties aside, American companies appear increasingly willing to seek ventures in a country with relatively low wages and a skilled work force.

One troubling note in the data was the relatively small amount of foreign investment in manufacturing, \$181 million, compared with \$312.3 million invested in hotel and tourist services in preparation for the 1988 Olympic Games in Seoul.

The most common problems for Americans, they say, include

Allied-Lyons to Acquire Walker Spirits Division

United Press International
TORONTO — Liquor giant Hiram Walker Resources Ltd. on Tuesday identified Britain's Allied-Lyons PLC as the buyer of its distillery business.

Gulf Canada Corp., which was bidding for Hiram, said it would postpone its share offer past Friday, the original date.

Gulf Canada, owned by the Reichmann brothers of Toronto, sought up to 40 million common shares of Hiram at \$23.04 each.

Hiram said it held 49 percent of Fingas voting shares while Allied-Lyons held 29 percent and two unidentified independent investors held 11 percent each.

Fingas will offer \$28.80 a share, more than Gulf, for 50 million Hiram common shares, roughly 44 percent, on Canadian stock exchanges.

"Substantially all of the value expected to be achieved by the sale of the distilled spirits business will be utilized" to finance the cash offer to current shareholders by Fingas, Hiram said.

An analyst, Mart Homnick of Gardner Watson Ltd., said Fingas was basically a "shell" that would allow Hiram to buy its own stock and give shareholders a better offer.

Mr. Homnick said he spoke to Hiram officials, who said the Fingas connection would help avoid as

Bofors Gets Indian Order Worth \$1.14 Billion

By Per Isaksson
Stockholm
STOCKHOLM — Bofors AB, the Swedish arms manufacturer, said Tuesday that it had won a contract equivalent to \$1.14 billion to deliver field guns to the Indian Army, one of the largest single orders Swedish industry has ever secured.

"It's a terrific success, which proves our technology is of world renown," Bofors' president, Martin Ardbo, said at a news conference.

The order is timely for the company, which had a setback in August, when the United States canceled an anti-aircraft gun project to which Bofors was one of the main suppliers.

Shares in Bofors' parent company, Nobel Industrier AB, rose sharply on the Stockholm bourse Tuesday after the Indian order was announced, closing at 485 kronor (\$66), compared with the previous close of 430 kronor.

Currency Rates

Table with columns for Country, Rate, and Date. Includes entries for Amsterdam, Brussels, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich, etc.

Source: Reuters, Bank of America, etc.

Interest Rates

Table with columns for Term, Rate, and Date. Includes entries for Eurocurrency deposits, Key Money Rates, and Asian Dollar Deposits.

Source: Reuters, etc.

U.S. Money Market Funds

Table with columns for Fund Name, Assets, and Date.

Gold

Table with columns for Location, Price, and Date.

Source: Reuters, etc.

Mexican Crisis May Shift Focus to Private Sector

By Dan Williams
Los Angeles Times Service
MEXICO CITY — Luis Garza Soa's workshop used to be piled high with coils and plates of sheet steel, a sign that business was good.

Garza Laminated Products, on the city's outskirts, makes storage tanks, and the Mexican government is — or was — his main customer.

The extent of the change is fueling a new debate here: Is Mexico trading its sovereignty for solvency? Are the egalitarian goals of the 1910-17 Mexican Revolution being lost in foreign-imposed models of development?

Not long ago, foreign bankers were lending billions in Mexico on the strength of oil prices. Now the loans are small and have many strings attached.

Among the Latin debtors, Mexico ranks second only to Brazil. But Brazil, which imports much of its oil, should benefit from lower oil prices, while Mexico depends on earnings from oil exports.

Past loans were based on projected oil prices of \$32 a barrel through the 1980s. But last year, world prices averaged about \$25, and now have slipped to the \$11-\$12 range.

Mr. Lin said officials were considering how to replace the bills, which carry the same face value as the national currency, the yuan. Foreigners must use the certificates for airline tickets and in special "friendship stores" that sell goods rarely available to most Chinese citizens.

A black market for the certificates has emerged and foreigners in China say they are frequently approached to exchange them for yuan, which are worth about 33 cents each on currency markets.

Both proposals were rejected, according to U.S. and Mexican

China Reported Ready to Scrap Special Currency

Reuters
HONG KONG — China is set to scrap the special currency it requires foreigners to use, a Hong Kong newspaper reported Tuesday.

The New Evening Post, which has close ties to Beijing, quoted Liu Hongru, deputy director of the People's Bank of China, as saying China would abolish foreign exchange certificates. The daily did not say when.

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Profit £1168m: Dividend up by 17 1/2%

A B.A.T. INDUSTRIES REPORT
Extracts from the preliminary results for the year ended 31 December 1985

Table with columns for Group Results, Pre-tax profit, Attributable to B.A.T. Industries, Dividend per share.

Group pre-tax profits in 1985 totalled £1168 million. This 17 per cent decline — as reported in sterling — owed much to the weakness of the US dollar, which sharply reduced profits when translated into sterling at year-end rates.

Interest payments on Mexico's debt total about \$10 billion a year, or almost 75 cents of every dollar that Mexico earns from exports and tourism.

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Markets Closed

Stock exchanges were closed Tuesday in Hong Kong for the transfer from four separate exchanges to a unified exchange.

B.A.T. INDUSTRIES

Full financial statements will be delivered to the Registrar of Companies and carry an unqualified audit report. The results are being posted to shareholders. Copies are available from the Company Secretary, B.A.T. Industries plc, Windsor House, 50 Victoria Street, London SW1H 0NL.

| Vol. | High | Low | Last | Chg. |
|------------|--------|--------|--------|------|
| W.P. Carey | 24 1/2 | 24 1/2 | 24 1/2 | 0 |
| W.P. Carey | 24 1/2 | 24 1/2 | 24 1/2 | 0 |
| W.P. Carey | 24 1/2 | 24 1/2 | 24 1/2 | 0 |
| W.P. Carey | 24 1/2 | 24 1/2 | 24 1/2 | 0 |
| W.P. Carey | 24 1/2 | 24 1/2 | 24 1/2 | 0 |

| Open | High | Low | Last | Chg. |
|--------|---------|---------|---------|--------|
| Index | 1822.00 | 1825.00 | 1779.11 | -43.89 |
| Trans. | 89.61 | 90.15 | 88.50 | -1.65 |
| Comp. | 71.07 | 72.15 | 70.18 | -1.89 |

| High | Low | Close | Today's P.M. | |
|------------|---------|---------|--------------|--------|
| Composite | 1822.00 | 1825.00 | 1779.11 | -43.89 |
| Industries | 187.21 | 187.20 | 185.25 | -1.96 |
| Trans. | 122.65 | 122.64 | 121.50 | -1.14 |
| Utilities | 158.21 | 158.21 | 157.62 | -0.59 |
| Finance | 158.21 | 158.21 | 157.62 | -0.59 |

Tuesday's NYSE Closing

Vol. of 4 P.M. 167,394,000
 Prev. 4 P.M. vol. 124,400,000
 Prev. consolidated close 151,001,220

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

| Advanced | Declined | Unchanged | Total Issues | New Issues | Volume up | Volume down |
|----------|----------|-----------|--------------|------------|-----------|-------------|
| 12 | 14 | 11 | 37 | 11 | 16 | 21 |
| 12 | 14 | 11 | 37 | 11 | 16 | 21 |
| 12 | 14 | 11 | 37 | 11 | 16 | 21 |

| Week Close | Year Month | Age | Age |
|------------|------------|-------|-------|
| 27.77 | 27.65 | 27.67 | 28.12 |
| 27.77 | 27.65 | 27.67 | 28.12 |
| 27.77 | 27.65 | 27.67 | 28.12 |

| Vol. | High | Low | Last | Chg. |
|-------|------|------|------|------|
| Wicks | 1.00 | 1.00 | 1.00 | 0 |
| Wicks | 1.00 | 1.00 | 1.00 | 0 |
| Wicks | 1.00 | 1.00 | 1.00 | 0 |

| Bonds | Utilities | Industries |
|--------|-----------|------------|
| 107.72 | 107.72 | 107.72 |
| 107.72 | 107.72 | 107.72 |
| 107.72 | 107.72 | 107.72 |

NYSE Lower in Heavy Volume

United Press International

NEW YORK — Prices were sharply lower at the close of the New York Stock Exchange on Tuesday in heavy trading.

The Dow Jones industrial average, which fell 3.11 points to 1,818.61 Monday, was down 28.50 to 1,790.11.

Advances led declines by almost a 2-1 ratio among the issues traded. Big Board volume amounted to about 167.39 million shares, up from 134.44 million Monday.

A plunge in oil prices through the \$10-a-barrel level in New York fueled a bond market rally and boosted stocks early Tuesday.

But the low petroleum costs attracted buyers, and oil prices rebounded to above \$10 a barrel. The May crude oil contract was quoted at \$10.70 Tuesday, up 28 cents from Monday's close.

The rally in crude oil futures prompted a sell-off in the bond market as investors decided to lock in profits. The price of the Treasury's bellwether 30-year issue has risen by about \$220 per \$1,000 bond since Feb. 7.

Bond-market selling spilled into stock index futures. Traders then bought the less-expensive stock index futures contracts and sold the securities that make up the indexes.

Analysts were undecided as to whether the

| High | Low | Close | Today's P.M. |
|-------|-------|--------|--------------|
| 244.6 | 244.7 | 243.51 | -1.19 |
| 244.6 | 244.7 | 243.51 | -1.19 |
| 244.6 | 244.7 | 243.51 | -1.19 |

| 4 P.M. volume | 12 Month High | 12 Month Low |
|---------------|---------------|--------------|
| 14,900,000 | 14,900,000 | 14,900,000 |
| 14,900,000 | 14,900,000 | 14,900,000 |
| 14,900,000 | 14,900,000 | 14,900,000 |

| High | Low | Close | Today's P.M. |
|--------|--------|--------|--------------|
| 270.33 | 268.68 | 270.01 | +1.33 |
| 270.33 | 268.68 | 270.01 | +1.33 |
| 270.33 | 268.68 | 270.01 | +1.33 |

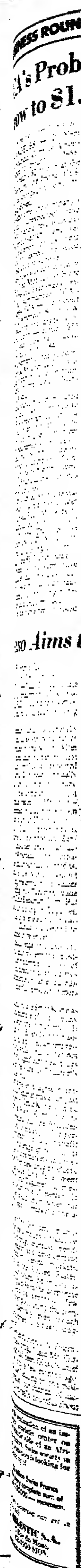
| 12 Month High | Low | Stock | Div. Yld. | PE | Stk. | 100-High | Low | Quot. | Chg. |
|---------------|--------|-------|-----------|----|------|----------|-----|-------|------|
| 24 1/2 | 24 1/2 | AAR | | | | | | | |
| 24 1/2 | 24 1/2 | AAR | | | | | | | |
| 24 1/2 | 24 1/2 | AAR | | | | | | | |

| 12 Month High | Low | Stock | Div. Yld. | PE | Stk. | 100-High | Low | Quot. | Chg. |
|---------------|---------|--------|-----------|----|------|----------|-----|-------|------|
| 1822.00 | 1825.00 | Index | | | | | | | |
| 89.61 | 90.15 | Trans. | | | | | | | |
| 71.07 | 72.15 | Comp. | | | | | | | |

| 12 Month High | Low | Stock | Div. Yld. | PE | Stk. | 100-High | Low | Quot. | Chg. |
|---------------|--------|------------|-----------|----|------|----------|-----|-------|------|
| 244.6 | 244.7 | Industries | | | | | | | |
| 122.65 | 122.64 | Trans. | | | | | | | |
| 158.21 | 158.21 | Utilities | | | | | | | |

| 12 Month High | Low | Stock | Div. Yld. | PE | Stk. | 100-High | Low | Quot. | Chg. |
|---------------|-------|------------|-----------|----|------|----------|-----|-------|------|
| 27.77 | 27.65 | Week Close | | | | | | | |
| 27.77 | 27.65 | Week Close | | | | | | | |
| 27.77 | 27.65 | Week Close | | | | | | | |

| 12 Month High | Low | Stock | Div. Yld. | PE | Stk. | 100-High | Low | Quot. | Chg. |
|---------------|------|-------|-----------|----|------|----------|-----|-------|------|
| 1.00 | 1.00 | Wicks | | | | | | | |
| 1.00 | 1.00 | Wicks | | | | | | | |
| 1.00 | 1.00 | Wicks | | | | | | | |



BUSINESS ROUNDUP

FCA's Problem Loans Grow to \$1.98 Billion

Compiled by Our Staff From Dispatches LOS ANGELES — Problem loans at Financial Corp. of America continue to mount in 1986, growing to nearly \$2 billion at the end of February, the Irvine, California-based savings and loan company has disclosed. At the same time, the company's outside auditor unexpectedly gave FCA's 1985 financial results an unqualified endorsement, and reversed its statement of last year that it did not expect the giant savings institution to survive. The latest news was contained in documents filed Monday with the U.S. Securities and Exchange Commission that summarized FCA's 1985 progress. FCA — the parent company of American Savings & Loan Association, the largest U.S. savings institution — earned \$33 million last year following a record loss of \$591 million in 1984. The endorsement of the auditor, Peat, Marwick, Mitchell & Co., was prompted in part by a letter from the Federal Home Loan Bank Board, FCA said. The bank board, in a letter dated March 24, said it will continue to support FCA's recovery efforts for another year, even though the financial institution does not meet minimum requirements for fidelity bonds and net worth. Fidelity bonds protect a company from wrongdoing by its own employees; net worth is a financial institution's assets minus liabilities. The letter, coupled with a tentative settlement of some shareholder lawsuits, allowed Peat, Marwick to issue the qualified opinion that it gave FCA in 1984. That opinion voiced doubt about FCA's ability "to continue as a going concern," according to the SEC documents. "The receipt of the supportive letter indicates that this qualification of the 1984 consolidated financial statements is no longer required," the auditing firm said. However, the same report noted

that American Savings' problem loans — known to regulators as "scheduled items" — ballooned to \$1.98 billion at the end of February from \$1.75 billion at the end of December. Scheduled items are generally loans classified as delinquent, substandard or in foreclosure. The figures indicate that FCA's chief executive, William J. Popejoy, still has not been able to reign in problem loans at American Savings. Mr. Popejoy succeeded Charles W. Knapp, who was forced to resign by federal regulators in August 1984 after a two-week, \$6.8 billion run on deposits. Under Mr. Knapp, the company grew 40 percent a year. Mr. Popejoy, who has led FCA on a more conservative course since then, had been predicting that problem loans would not exceed \$1.8 billion. The unexpected increase to \$1.98 billion resulted largely from "certain large construction loans that became delinquent," a company spokesman said. The spokesman said the loans were made during Mr. Knapp's tenure, when the thrift loaned heavily to the real estate industry. Problem loans now total about 7.2 percent of American Savings' assets, more than double the industry average and far higher than at its largest competitors. According to the documents, American Savings had a regulatory net worth of just \$453.5 million, or 1.69 percent, as of Dec. 31. It would need another \$921 million in equity or subordinated debt to reach its required net worth of 4 percent. But company officials insisted that the overall picture for recovery remains positive. "The scheduled items are only one facet of the company," the spokesman said. "The unqualified opinion speaks to the company's entire operations." (LAT, AP)

Investor Group Gains Control Of San Miguel

MANILA — A group led by Andres Soriano 3d has gained control of San Miguel Corp., buying more than 33 million of the company's shares for 3.3 billion pesos (\$167 million), stockbrokers said Tuesday. The brokers said they did not know who sold the stock but thought the sale was on behalf of Eduardo M. Cojuangco Jr., who left the country with the former president, Ferdinand E. Marcos. Control had passed in December 1983. The brokers said the shares, 20.2 million of San Miguel "A" and 12.7 million of San Miguel "B," were sold at 100 pesos a share. They estimated the company's total capital outstanding at 105 million pesos. A statement from San Miguel Corp. said it hoped to maintain its dividend policy in the extent that it conformed with the company's strategic plans.

TI Expects to Get Boost From New Type of Chip

By Thomas C. Hayes New York Times Service DALLAS — When the next generation of computer memory chips takes over, Texas Instruments Inc. is likely to be the only U.S. challenger to the Japanese. The company is pursuing production of a type of chip that most other U.S. manufacturers have decided to forgo. One of the reasons it thinks it can succeed is the low-cost techniques it has gleaned from its plants in Japan. In a period that has seen it lose market share even while the entire industry was in a severe downturn, Texas Instruments has spent \$200 million to build water-fabrication plants at its headquarters in the Dallas suburb of Richardson and in Miho, Japan. The two new plants will house production for part of the next generation of memory chips, the one-megabit dynamic random-access memory chip, or DRAM. Some of the early sentiment is optimistic. "It will be the second half of the year until we see volume production" at Texas Instruments, said Drew D. Peck, a semiconductor analyst with Gartner Securities Corp. in Stamford, Connecticut. "But that's O.K. because the Japanese have slipped, too. By 1987, it will be a very profitable product for TI." The industry expects the chips,

containing the equivalent of a million pieces of information, to bring orders in the billions of dollars by 1987 and beyond, with the chips going into such products as telecommunications equipment, artificial intelligence systems and personal computers. When the semiconductor industry's sales plummeted last year, Texas Instruments, the world's largest producer, was badly shaken. Plants were closed, employment cut and wages frozen as its chip unit skidded to an operating loss of \$61 million after posting profits of \$516 million in 1984. It yielded its title as sales leader to Japan's NEC Corp. and slid in third place behind Motorola Inc. With nearly half of its total sales coming from semiconductors, Texas Instruments had no choice but to try to battle back. Analysts say it appears to be heading in the right direction. "They have devoted resources to important new products, putting them in a good position for the long term," Mr. Peck said. William N. Sick, president of Texas Instruments' semiconductor unit, said that in casting its lot with DRAMs, the company had acted on its belief that the engineering ability needed to design and produce the one-megabit DRAM circuit would give it a lead of up to two years in making more specialized, high-profit logic chips such as

AT & T Texas Instruments

Table with financial data for Texas Instruments for Dec 31, 1985 and 1984. Columns include Revenue, Net Income, Earnings per share, etc.

those known as gate arrays and standard cells. "Success in DRAMs is a key element in being able to participate in the highest profit areas of the semiconductor market of the future," he said. "It drives the manufacturing and process technology for the whole product line." And the fact that Texas Instruments is the only major U.S. company making the chips could also work to its advantage. The race to high-volume production of the DRAMs pits Texas Instruments against Japan's Toshiba, NEC and Hitachi. The contest is being closely followed, especially in light of Texas Instruments' recent stumble in market share.

BUSINESS PEOPLE

American Express Bank Makes 4 Appointments

By Brenda Erdmann International Herald Tribune LONDON — American Express Bank Ltd. has announced four appointments aimed at strengthening its worldwide merchant-banking capabilities. The bank, the international banking arm of American Express Co., has named R. Paul Fukuda as head of its merchant-banking group in Hong Kong. Mr. Fukuda is a senior vice president of AEB and has managed the bank's business in Japan, Hong Kong, Taiwan, the Philippines and South Korea. In his new post, Mr. Fukuda will divide his time between Hong Kong and Tokyo. AEB said Axel Hirschberg has joined the bank as a senior vice president and will head its merchant-banking group in London. He previously was executive vice president of Merck, Finck & Co., the Munich-based private bank, and managing director of Chase Manhattan Ltd. in London. Joining Mr. Hirschberg in the London merchant-banking group is Salim M. Lalani, who formerly was an executive director at Bank of America International Ltd. in London. Also, Kuen B. Kim, who previously was at Bankers Trust Co. in New York, has joined AEB's Hong Kong merchant-banking group. Olivetti SPA, the Italian information-technology group, has named Paolo Tosi managing director of British Olivetti Ltd. Mr. Tosi moves to London from Johannesburg and turns over his duties as managing director of Olivetti's South African unit to Virgilio Zaina. Mr. Zaina was in charge of marketing to large accounts for data-processing products in the headquarters in Ivrea, near Turin. Mr. Tosi succeeds Vincenzo Mancuso, who has been transferred to headquarters, where he will be in charge of direct sales for Italy. Ricoh Co., the Japanese maker of copiers and other office equipment, has purchased 51 percent of Comunicaciones Graficas SA in a bid to expand its sales in Spain. The new venture, Ricoh Espana SA, will be based in Barcelona. K. Sono, managing director of Ricoh Nederland BV, will serve as chairman of Ricoh Espana and A. Segura as its president. Mr. Segura formerly was president of Comunicaciones Graficas. Iktisat Bankasi of Istanbul has named Ibrahim Beil general manager, succeeding Cener Ersoy. Mr. Ersoy will become managing director in charge of the Iktisat Bankasi group's financial investments. Mr.

Beil previously was general manager of Pamukbank, Turkey's fifth-largest bank. Saba AB, Sweden's third-largest retail and wholesale group, said its managing director, Jan Prising, has resigned because of differences of opinion on "vital development and policy questions." He is to be replaced by Anders Lindstrom, formerly managing director of Babco AB, the Swedish engineering group. Banco Espanol de Credito, one of Spain's largest commercial-banking groups, has named José Maria Lopez de Letona, a former governor of the Bank of Spain, as vice chairman and managing director. PaineWebber Inc. said it has named Pierre Gousseland a senior consultant. Mr. Gousseland, who resigned last month as chairman of Amex Inc., will work with New York-based PaineWebber's investment banking and international units. National Bank of Pakistan said Shah Nawaz, senior vice president in Tokyo, has been transferred to its New York branch. He was replaced in Tokyo by Hafiz M. Iqbal. Xerox Corp. said David Kearns, its chairman and chief executive, has become nonexecutive chairman of Rank Xerox Ltd., London, succeeding Hamish Orr-Ewing, who is retiring. Ronald Magnin, managing director of Rank Xerox, has also been appointed chief executive of the company. Rank Xerox is 51-percent owned by Xerox, of the United States, and 49-percent owned by Rank Organization, of Britain. Deloitte Haskins & Sells, the British accounting firm, has named Timothy Heaton partner in charge of its offices in the United Arab Emirates, Bahrain and Oman.

Glaxo Aims to Be More Than a One-Drug Wonder

By Steve Lohr New York Times Service LONDON — Paul Girolami, the 60-year-old chairman of Glaxo Holdings PLC, is facing the sort of problem that most executives long for. His company, analysts generally agree, is the fastest-growing major drug producer in the world. After jumping more than 50 percent last year, Glaxo's profits are expected to grow about 25 percent annually over the next couple of years. Thanks to the company's robust performance recently, Mr. Girolami is perched on a cash mountain equivalent to about \$700 million. Much of Glaxo's prosperity is attributable to one product, Zantac, an anti-ulcer drug that accounts for 40 percent of the company's sales and about half its profits. Zantac is the world's second best-selling prescription anti-ulcer drug, trailing only Tagamet, made by SmithKline Beckman Corp. But Zantac is fast closing on Tagamet, whose sales have leveled off. In two years or so, Zantac is expected to pass Tagamet in revenues. Still, the challenge for Glaxo is to avoid what analysts term the "post-blockbuster syndrome," a loss of growth and direction after the momentum generated by an extraordinarily successful product tapers off. Some analysts cite SmithKline as the classic example of a company afflicted with the syndrome: It spent heavily to diversify into businesses that have not shown impressive growth, while it has so far not come up with significant new drugs to pick up the slack as Tagamet's sales flatten out. Others, however, disagree, pointing out that Tagamet makes up just 30 percent of SmithKline's sales. Standard & Poor's Corp., for instance, predicts that the Philadelphia-based company's longer-range prospects should benefit from above-average growth in its major health care markets and contributions from new drug products. And the Value Line Investment Survey says that Tagamet's domestic sales, which rose 17 percent in December, could spur when the company begins to market a one-a-day pill. At Glaxo, Mr. Girolami's plan is to tighten the company's focus on prescription drugs, increase spending on research and development and expand in overseas markets, especially in the United States. Glaxo's cash hoard, he insists, is not burning a hole in the corporate pocket. And he expresses few qualms about positioning the company too narrowly, even though drug development is a risky, long-term affair. "Our whole mission is to discover major new drugs," said Mr. Girolami, who had been Glaxo's chief executive until a few months ago. "I think that focusing on one business increases your chances of success. And I'm really doubtful about



Paul Girolami: Sitting out a cash mountain.

the notion of synergy between ethical drugs and anything else." Glaxo has jettisoned its non-drug businesses in the past year. The operations sold accounted for revenues of \$300 million a year. They included drug wholesaling, hospital products and infant formula businesses. When it sold the infant formula subsidiary last month, Glaxo, a company founded before World War I, got rid of its original product. Glaxo has been optimized for generations by its marketing slogan familiar in Britain and throughout the former empire: "Glaxo the super milk, it builds bonnie babies." Zantac still has years of solid growth left. The drug is selling at an annual rate of about \$730 million, compared with \$890 million for Tagamet, according to industry estimates. And recent developments have prompted some analysts to revise their growth projections for Zantac upward. They give two main reasons for the increased optimism about Zantac, which was first marketed in 1981. Expected competition from new drugs has fallen away, after they were found to produce side effects, and tests have shown that Zantac is superior to Tagamet as a maintenance drug in preventing the recurrence of ulcers. Zantac is awaiting approval from the U.S. Food and Drug Administration to use the recurrence-prevention tests in its advertising in the United States, as it already does in Europe. "So we expect Zantac to keep right on growing," said Christina

COMPANY NOTES

ABC News laid off nearly 70 people Monday as part of staff reductions begun last fall just before American Broadcasting Cos., which is based in New York, was taken over by Capital Cities Communications. Air India said it expected a \$54-million net profit for the financial year ending March 31, and said it was confident of achieving its target revenue of more than 8.95 billion rupees (\$730 million), a 5-percent increase from the previous year. Alamo Co. has terminated its proposed leveraged buyout by a management-led group called Ventura Electric Co. at \$147 per share because an independent board committee has determined that Oscola Energy Inc.'s \$165 per share offer is more favorable. Alamo said it is considering various alternatives. CSR Ltd. sold its 80-percent stake in the Parings gold joint venture in Western Australia to North Kalgurli Mines Ltd. on March 26 for 29.6 million Australian dollars (\$21.1 million), which includes the repayment of about 24 million dollars in loans. Cable & Wireless PLC, the telecommunications group, said its shares will be listed on the Tokyo Stock Exchange beginning Wednesday, making it the first British company to have its stock listed in Japan. Fruehauf Corp., the U.S. truck-

trailer maker, was given a deadline of April 1 by a New York investor, Asher B. Edelman, who said he would launch a proxy fight if Fruehauf directors failed to accept his offer. Swissair, the Swiss national airline, said it set a price of 1,100 Swiss francs (\$564.10) per registered and bearer share and 200 francs per no-par-value dividend rights certificates for its rights issue announced on March 13. Thorn EM PLC's shares rose by 20 pence to 519 pence on reports that the electronics company is holding talks with Matchless Electric Industrial Co. on the possibility of the Japanese company buying a stake in Thorn's troubled semiconductor subsidiary, Immos International PLC, market sources said. Trafalgar Holdings Ltd., an investment concern headed by a financier, Charles Knapp, has agreed to acquire a major interest in the Chris-Craft boat unit of Murray Industries Inc. of Sarasota, Florida.

Swedish Firms Announce Venture

STOCKHOLM — Alfa-Laval AB and Pharmacia AB said Tuesday that they would form a joint company to market equipment for large-scale biotechnology processes. Alfa-Laval will hold 55 percent of the stock and Pharmacia the remainder. Sales are expected to reach more than 500 million kronor (\$68 million) within a few years. The companies said the joint venture would combine Alfa-Laval's process-control and fermentation technology and Pharmacia's expertise in separation and purification.

A Bright Forecast



Heuer, an analyst for Kidder, Peabody & Co. in New York. Kidder, Peabody estimates that sales of Zantac by Glaxo and co-marketers will reach \$1.76 billion by 1990, while its worldwide share of the ulcer drug market will rise from less than 45 percent to just over 55 percent. Yet Zantac's period of explosive growth is over. This year, for instance, its sales will grow about 20

INDUSTRY FACING UP TO THE CHALLENGES

Announcement by a South African organization Mr. M. T. de Waal, Chairman, Industrial Development Corporation of South Africa, talks to Ian Smith, Business Editor, Financial Mail.



IDC was responsible for some 8% of total gross fixed private investment in industry. It is and will remain an important source of finance for middle-sized industries wishing to stay independent. In its 45 year history the IDC has built up a mass of dedicated information to provide an efficient advisory service on industry generally and to complement the efforts of the private sector. The industrial scene in South Africa requires that capital be available for: - Projects ensuring the optimization of certain natural resources, the securing of markets and the creation of jobs at times, and of the order where, the private sector might prefer not to participate; - Industries that have developed local know-how and innovative markets, with a strong potential for growth, and which require venture capital; and, - Special export sectors of industry requiring basically medium term working capital which may be subject to risks that banks would be reluctant to support. The IDC also has an important role to play in achieving national goals as set out in the recent white paper for industrial strategy. These are: - To promote regional development. Through the efforts of the IDC, Rand 7 billion has been invested in industry outside metropolitan regions in the last 10 years. - To promote exports and foreign exchange earnings. In the 1975-1985 period 40% of all funds provided by the IDC were used for export-related industries. - To promote large scale employment. The route presently under consideration is to concentrate on agriculturally-based industries such as tea, coffee, rice, fruit juices, basic textiles and others. Smith: What are South Africa's main industrial strengths? De Waal: South Africa is well-endowed with mineral resources, leading to a well developed mining industry. The advantage arising from this can be seen, for example, in the base metals production where the manufacture of ferrous and non-ferrous base metals was responsible for 45% of the increase in manufactured exports since 1962. We have sufficient electricity, competitively priced internationally, to enable the development of energy intensive industries, as seen in the manufacture of ferrous and non-ferrous base metals. And if the need should arise, South Africa can become self-sufficient in petroleum energy needs based on coal, but this will be at a cost in terms of existing technology or imports. We have a strong entrepreneurial class and large, relatively unskilled labour

resources. The need for training has long been recognised and heavy investment has been made in this area by the public and private sectors. The gainful employment of this labour provides the basis for growth in the local market for industrial products. Agriculture is well developed, and the country is by and large self-sufficient in food and agricultural raw materials. Exports of processed agricultural products is the most important manufactured export category apart from base metals. Our softwood timber resources are making South Africa a force in export markets for pulp and newsprint. A policy of moderate tariff protection and growth in local demand has allowed the development of what is today a relatively diversified manufacturing industry. And finally, government policy is development-orientated, as recently emphasised in the white paper on an industrial strategy. On the other side of the coin we suffer from high inflation compared with our trading partners and competitors, and productivity is low. Improved labour productivity and more competitive process technology is therefore one of the challenges in industry today. We are also faced with high transport costs because of long distances within the country and from major world markets. Smith: Are your operations entirely confined to South Africa, or do they have spin off benefits for the rest of the Southern African region? De Waal: The IDC operates in South Africa and the homeland countries. However, the South African export finance scheme which we administer for government means our exporters can offer capital goods and services to foreign markets on competitive financing terms. The IDC has made export credits of almost Rand 300 million available to countries in Southern Africa, including Malawi and Mozambique. Smith: Does the IDC encourage international companies to operate in South Africa? De Waal: Yes, especially where these companies add to local know-how. The IDC has acted as a financial partner for the establishment of many local operations.

Mr. M. T. de Waal Chairman Industrial Development Corporation of South Africa

Advertisement for NOK IDC, featuring a logo and contact information for the Industrial Development Corporation of South Africa.

Advertisement for ORCESTIC S.A., a Swiss company looking for financing, with contact details in Geneva.

Advertisement for Asia Pacific Growth Fund, listing assets and contact information for Pierson, Halding & Pierson NV.

Advertisement for COMPAGNIE SAINT-GOBAIN, a French company with branches in Paris, Luxembourg, and Amsterdam.

Ashland to Buy Back Belzberg Shares

Compiled by Our Staff From Dispatches

ASHLAND, Kentucky — Ashland Oil Inc. announced Tuesday that it had reached an agreement with the Belzberg family of Canada to buy back more than 2.6 million shares of Ashland stock for \$51 apiece, or a total of about \$134 million.

If approved by the Ashland board, the agreement would end the attempted takeover of the largest independent U.S. refiner by the

Belzberg family of Vancouver, British Columbia.

The agreement calls for Ashland to pay the Belzbergs and their affiliated companies \$51 a share for the 2.6 million shares they own.

The transaction will net the Belzbergs an estimated \$10 million to \$15 million.

If the Belzbergs bought Ashland stock at the March 21 closing price of about \$46 a share, they would realize a profit of more than \$13

million from their takeover bid.

Ashland stock was down \$2.625 to \$48.875 a share in late trading Tuesday on the New York Stock Exchange.

Last week, the three Belzberg brothers, who already held 9.2 percent of Ashland's shares outstanding, had proposed buying the remaining shares for \$60 each in a \$1.8-billion acquisition. The proposal, made by First City Financial Corp. and another Belzberg-controlled affiliate, expired Monday.

Jim Butler, a spokesman for Ashland, said the Belzbergs also had agreed not to acquire any voting securities in Ashland for 10 years.

Japan Eases Pension Fund Restrictions

Reuters

TOKYO — Japan's Finance Ministry said Tuesday that it has raised its limit on foreign portfolios of individual trust-bank pension funds to 25 percent of total assets, from 10 percent, in line with a similar relaxation for life insurance companies last month.

Under the new regulations, however, pension funds will have more room to expand their foreign securities holdings than insurance companies.

Both limits include sushi bonds, on-yen issues by Japanese companies. But pension funds, unlike insurers, hold few if any of such bonds, bond market sources said.

Total assets of the pension funds rose to 11,784 billion yen (\$65.5 billion) at the end of 1985 from 10,126 billion yen on Dec. 31, 1984, the Trust Company Association of Japan said.

Pension fund managers said most pension funds' foreign assets make up about 10 percent of assets.

U.S. Economy Will Grow, But Not Jobs, Executives Say

U.S. Press International

NEW YORK — American business executives are increasingly confident that the economic will grow, but their optimism is tempered by sluggish employment prospects, the Conference Board reported Tuesday.

The board's index of business confidence, based on a survey of 1,000 chief executive officers and other corporate executives, closed at 61 in the first quarter, up from 55 in the fourth quarter of 1985. The board is a private business research group.

Business leaders expecting improved conditions in 1986 outnumbered those anticipating declines

by a margin of 3 to 1. But only 30 percent of those surveyed expect jobs to increase in their industries, the report said.

Forty-two percent said they do not expect current employment levels to change, and 28 percent predicted that the number of jobs would decline.

Many manufacturing executives "believe they can increase their output this year with their present or even slightly smaller work forces," said Douglas Cliggott, a Conference Board economist.

Only 20 percent of the respondents said it would be more difficult this year than last to find skilled employees.

Oil Price Falls Below \$10

(Continued from Page 1)

current oversupply in the market at two million barrels a day.

Although demand for oil is notoriously slow to respond to price changes, there will be some effect soon, experts said.

Cambridge Energy Research Associates has estimated that, at a price of \$15, demand in the major industrial countries would rise by 900,000 to 1.5 million barrels a day within six to nine months. Such increased demand would come mainly from factories and power-generating stations switching to oil products from coal or gas and from a small increase in gasoline consumption.

Mexico Banks Look to Private Sector

(Continued from Page 9)

sources. The negotiators agreed only that Mexico needs about \$6 billion in new loans.

Lower interest rates would mean staggering losses for the creditor banks as well as the linking of payments to oil prices. U.S. officials, whose approval would be needed for any such changes, also fear that bowing to Mexico's requests would inspire other debtor nations to seek similar concessions.

"A formula will be worked out," said José Carral, the representative in Mexico City for Bank of America, one of Mexico's creditors, "but the banks cannot accept losses."

The Mexican government's stand against creditors also has hardened. President Miguel de la Madrid had been under pressure to cancel or limit the debt.

In a speech last year, he said Mexico cannot meet its debt obligations unless its economy improves. And last month he called for "sacrifices on the part of international creditors who have been co-responsible in the debt process."

As things stand, the new loans will not be enough to pull Mexico out of its recession, and the bankers

and Reagan administration intermediaries are pressing for major economic reforms. The latest buzzwords are "structural reform."

They want Mexico to increase exports, to open its doors to foreign investment and privatize government-owned companies. They say Mexico must devalue the peso and raise interest rates to lure back money that has been sent abroad.

And they want the government to cut spending by eliminating a broad range of subsidies.

Theoretically, these steps would enable private business to produce enough wealth to stimulate growth and pay off the debt. But reduced government participation in the economy and lower spending would effectively overturn a long-standing government policy known as economic rectorship.

And any increase in foreign investment would aggravate Mexico's official resistance to alien influence on the Mexican economy.

Economic rectorship has its roots in the 1970s. Government involvement in industry, stepped-up distribution of land and subsidies for everything from tortillas to sub-

way tickets were viewed as necessary to help the poor.

For small companies like Mr. Garza's, this meant more government business and fewer private customers. The soaring oil prices of the 1970s hastened the pace of government investment.

But by the end of José López Portillo's term as president, in 1982, the oil boom had begun to fade, and government spending was slowing. Mexico had borrowed heavily and was having difficulty making payments. And many government officials who dominated the economy were corrupt.

Mr. de la Madrid quickly renegotiated the terms of outstanding loans, slashed government spending and threw the country into a recession to curb inflation.

He was praised by the bankers. Oil prices, after all, were still high. But weaknesses soon surfaced. As oil revenue declined, it became clear that no other industry could produce comparable revenue from abroad. The economy stagnated.

With further government cutbacks on the way, Mexico prepared for more recession this year.

While these factors should help provide a floor under prices, the economists generally doubted that prices would rocket back to anything near \$30 in the next few years, barring a major political crisis that knocked out large amounts of oil production in the Mideast.

Supply appears plentiful in the near term. The Organization of Petroleum Exporting Countries still has capacity to produce at least 10 million barrels a day more than its current output, and many members are desperate to increase their sales.

At current oil prices, OPEC countries cannot afford to pay for as many imports as they did in 1973.

Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

| 12 Month High | Low | Stock | Chg. | Yld. | PE | 52 Wk. High | Low | Close |
|---------------|--------|-------|------|------|----|-------------|--------|--------|
| 12 1/2 | 12 1/4 | AA | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | AAA | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB- | 1/4 | 8.8 | 10 | 12 1/2 | 12 1/4 | 12 1/4 |
| 12 1/2 | 12 1/4 | BBB+ | 1/4 | 8.8 | 10 | 12 | | |

Germany Sees 4% Output Rise in '86

MUNICH — West German manufacturing industry's production should rise by 4 percent in 1986, a figure that was helped by special factors.

In 1985 production had been buoyed by industry making up for the effects of the 1984 metalworkers' strike.

The 1985 figure had also benefited from investment demand picking up again after dropping in 1984.

The recent fall in foreign orders for the capital-goods sector, the main beneficiary of West Germany's export boom in recent years, should not be seen as a fundamental change for the worse, the institute said.

The 4-percent rise, adjusted for inflation, that the institute sees for the year compares with 6 percent in 1985, a figure that was helped by special factors.

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The recent fall in foreign orders for the capital-goods sector, the main beneficiary of West Germany's export boom in recent years, should not be seen as a fundamental change for the worse, the institute said.

Demand remains high and orders on hand in some parts of the sector are considerable, it said.

Within the capital-goods sector, engineering should see a 7-percent rise in production this year, unchanged from 1985, it said. Office-machine makers should increase output by at least 20 percent after a rise of 26 percent in 1985.

However, electrical-engineering output is expected to be only 4 percent to 5 percent higher in 1986, against 11 percent in 1985.

If car exports remain just under last year's level, a forecast 4.5-percent rise in consumer spending could lead to an increase of between 4 percent and 5 percent in the number of cars produced by West German companies, it said.

Beijing Bans Flights by BA

BEIJING — China has told British Airways PLC it will no longer be allowed to carry passengers on the route between Hong Kong and Beijing, aviation sources said Tuesday.

They said BA had been given only four days' notice of the ban, which took effect Monday. The company is being allowed two weeks to clear bookings on the popular weekly flight.

The sources said the Chinese gave no reason for the decision. China and Britain renegotiated their air agreement in November.

Britain's Law On Insolvency

(Continued from Page 9)

NEW YORK — The dollar was mixed Tuesday in late afternoon trading in New York.

Wide market rumors that the Bank of Japan sold a small amount of yen when the dollar sank to 177.60 yen in Tokyo provoked a short-covering rally in Europe, which gathered pace in the United States.

The dollar rose to 2.3460 Deutsche marks in late afternoon trading, from 2.3415 at Monday's close, and to 178.25 yen, from 177.50. It was trading at 7.1975 French francs, down from 7.2050, and at 1.9560 Swiss francs, compared with 1.9550.

The British pound was quoted at \$1.4725, up slightly from \$1.4700. The dollar also closed mixed in London as European markets resumed after the long holiday weekend. It closed there at 2.3365 DM, above Thursday's close of 2.3275.

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CURRENCY MARKETS Dollar Mixed in Late U.S. Trading

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| Currency | Rate |
|---------------|--------|
| Deutsche mark | 2.3460 |
| French franc | 7.1975 |
| Swiss franc | 1.9560 |
| Japanese yen | 178.25 |

dampened by fears that it could lead to a further cut in the U.S. discount rate, dealers said.

The British pound closed firmer in London against most European currencies, although it eased against the dollar. It closed at \$1.4705, below Thursday's close of \$1.4830.

Dealers said trading was expected to remain within a fairly narrow range for the rest of the week with interest perhaps focusing on the yen if the market decided to test the resolve of the Japanese authorities to prevent the dollar from falling any further.

"The yen could be the key to this week," one dealer said.

In early trading in Europe, the dollar was fixed at 2.3363 DM in Frankfurt, up from 2.3175, and at 7.1670 French francs in Paris, up from 7.1325. It closed in Zurich at 1.9473 Swiss francs, almost unchanged from 1.9478.

U.S.-Korean Ventures: The Key Is Compatibility

(Continued from Page 9)

ident and royalty policies; close oversight and often onerous regulation by the government; the primacy of the Korean staff in the parent company, and an entrenched seniority system that hamper an American partner's ability to promote and reward its staff.

Another failed venture involved Dow Chemical Co. Although neither Dow nor its Korean partner would comment about the causes, several executives said that they believed Dow left partly because of restrictions on joint-venture activity that have since been alleviated to a degree by the government. One welcome development was the creation of a "positive list," in which joint ventures in certain fields receive automatic approval.

Nonetheless, the process for joint-venture approval remains cumbersome, the lawyer said. Even after a venture is approved in principle, it must be reviewed by the government's fair trade office to ensure that it does not violate monopoly or antitrust laws. Then there must be a review by the ministry that oversees the business sector that the venture seeks to enter. Along the way, government officials may order changes in the agreement if they believe it unfair or not generous enough to the local partner, the lawyer said.

In Korea as elsewhere, the critical element for joint-venture suc-

cess is choice of the right partner. "The management must have the same sort of goals and ideas going into the relationship," said the American lawyer, who asked to remain unnamed.

George Cobbe, president of Samsung Hewlett-Packard, an 18-month-old joint venture in computer and instrumentation products, attributed much of its initial success to shared goals.

"There has been exceptional cooperation and acceptance on the part of Samsung for the things that we wanted to do here," he said. Although Samsung, one of Korea's largest conglomerates, normally promotes and pays employees by seniority, Mr. Cobbe said, the joint venture has introduced merit bonuses. Nor do the two companies disagree over dividends, he said, because Hewlett-Packard's philosophy has always been to reinvest most of its profits.

Other executives said Hewlett-Packard had several advantages in the venture. For one, Hewlett-Packard retains management control because it owns 53 percent of the venture. Also, because Hewlett-Packard is bringing into Korea a great deal of technology that is welcomed both by Samsung and the Korean government, the regulators have done their best to smooth the venture's path.

Still, even with the right partner, executives said, conflicts can occur.

For one, American and Korean partners often have very different attitudes toward contracts.

"What we see as the end of a long negotiation, Koreans see as a beginning of a long relationship," said Mr. Green of Samsung Fairo Chemical. "If they have a problem, they feel they can negotiate something new."

Executives warn that it is critical to understand the importance of hierarchy and networks within the partner's structure. One American manager, for example, assigned a subordinate to redesign the office. The subordinate was a graduate of a Seoul university, and when the redesign was completed, the manager found that all the graduates of that university had separate offices in prime locations, while the other Korean staff were left to fend for themselves.

Managers sent to Korea also must learn to accept being outsiders. Donald M. Frain, senior vice president and director of Korea Industrial Leasing Co., a joint venture of Manufacturers Hanover Leasing, Korea Development Bank and Korea Exchange Bank, said he had learned to work around these problems.

"You never overcome the 'we-they' attitude," he said. "I have Korean vice presidents reporting to me, but they would never take an order from me unless the Korean president says it's O.K."

Whether or not they have a lot of money will make a difference," said Bill Roberts, insolvency partner with Ernst & Whinney. "If a person doesn't have very much, what's the point of spending money in legal fees to collect nothing? It is better to settle out of court."

What happens to outside directors will depend on how the courts interpret the new law.

The Department of Trade and Industry would like to have a few corpses hanging from the gibbets," says Mr. Bond. "But they don't want to hang the innocent. They want to go for the rogues not for the foolish. But it is often difficult to differentiate between foolish and willful behavior."

Escudo Devaluation Resumes in Portugal

LISBON — Portugal said Tuesday that it would allow the escudo to depreciate at a new rate of 0.9 percent a month following a four-month suspension of the previous 1-percent rate.

A Finance Ministry spokesman said the move was aimed at keeping Portugal's exports competitive by compensating for the difference between high domestic inflation and low inflation enjoyed by the country's main trade partners.

THE EUROMARKETS U.S. Debt Rally and Oil News Boost Prices

Schering Plough's \$100-million in 7 3/4-percent, 10-year bonds closed just inside total fees at a discount of 1 1/2, with dealers reporting moderate initial investor demand for the issue.

Commerzbank's \$100 million of 7 3/4-percent, seven-year government bonds, priced at par, and Union Pacific Corp.'s \$100 million of 7 3/4-percent, 10-year bonds priced at 99 1/2 were launched too late to be widely traded.

Sterling Eurobonds closed 3/4 to 1 1/2 points higher as Nippon Credit Bank and Industrial Bank of Japan each launched \$50-million issues.

Dealers said the Nippon Credit issue, paying 9 1/2 percent over seven years, priced at 101 1/4, yielded a fairly tight 15 basis points above comparable British government bonds. It closed at a discount of about 1 1/2 percent.

European Currency Unit bonds also saw good gains, closing about one point higher.

Floating-rate notes rose 5 to 10 basis points, with interest centering on those issues which recently refinanced companies as those investors looking for further interest declines moved to lock in yields at current levels.

Grenfell & Co., at a discount of 1 1/2, around total fees of 1 1/2 percent, at which point it yields about 29 basis points above British government bonds.

Canadian dollar Eurobonds also firmed, with British Columbia's new \$50 million dollars of 9 1/2 percent, 10-year bonds priced at 101 1/4 seeing good demand despite a fairly tight pricing, dealers said. They estimated its yield at about 35 basis points above comparable Canadian government domestic issues.

The lead manager, Swiss Bank Corp. International, quoted the issue at a discount of 1 1/2, inside total fees of 2 percent.

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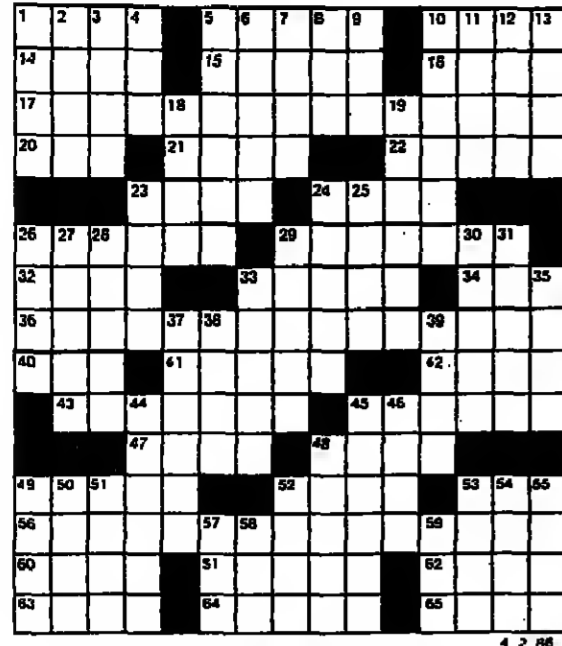
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| Tuesday's OTC Prices | | | | 12 Month High/Low Stock | | | | 12 Month High/Low Stock | | | | 12 Month High/Low Stock | | | | 12 Month High/Low Stock | | | | 12 Month High/Low Stock | | | | 12 Month High/Low Stock | | | | | | | |
|----------------------|-------|--------|--------|-------------------------|-----|------|-------|-------------------------|-----|------|-------|-------------------------|-----|------|-------|-------------------------|-----|------|-------|-------------------------|-----|------|-------|-------------------------|-----|------|-------|------|-----|------|-------|
| Symbol | Price | Change | Volume | High | Low | Open | Close | High | Low | Open | Close | High | Low | Open | Close | High | Low | Open | Close | High | Low | Open | Close | High | Low | Open | Close | High | Low | Open | Close |
| 129 AET | 117 | + | 10 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| 130 AET | 117 | + | 10 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| 131 AET | 117 | + | 10 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| 132 AET | 117 | + | 10 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| 133 AET | 117 | + | 10 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| 134 AET | 117 | + | 10 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| 135 AET | 117 | + | 10 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| 136 AET | 117 | + | 10 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| 137 AET | 117 | + | 10 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| 138 AET | 117 | + | 10 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| 139 AET | 117 | + | 10 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| 140 AET | 117 | + | 10 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |

Some figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend occurred in the previous year, the year's high and low are based on the adjusted price. Dividend dates are shown in parentheses. Dividend dates are shown in parentheses. Dividend dates are shown in parentheses.



ACROSS

1 Court minutes
5 L.A. round-baller
10 Role
14 Surround
15 Like a grandam
16 Plant of the lily family
17 Amos and Andy
20 Wool cluster
21 Mata
22 Something of value
23 Cincinnati
24 Sunken fence
26 Flower cluster
28 Bore, to boar
32 Locality
33 Angry fit
34 Dawn goddess
36 Lucy and Ricky
40 Dance
41 Movement
42 Belgian marble
42 Air: Comb. form
43 Boxing encore
45 Hunting hound
47 -bitay
48 Trading center
49 Annot. old style

DOWN

1 Ancient contest
2 Quote
3 Stumble
4 Classified sect.
5 Wonly
6 Conductor
7 Flightless bird
8 Yalie
9 Unit of reluctance
10 Rossini film: 1946
11 Sad disyllable
12 Where Sinclair Lewis did
13 This may be acrid
18 Attention
19 Spirit
21 Pakistani city
23 Fleshy fruit
24 Multitude
25 Egyptian sun god
26 Stadium passage
27 Following
28 Perfume, in a way
29 Premonition
30 Asses
31 Dudley or Henry
32 Imagination
33 Tizzy
37 Uses a podium
38 Greasy-spoon sign
39 Endure
44 Cram's competitors
45 Cooper's creation
46 "Rule, Britannia!" composer
48 Down East state
49 Not quite shut
50 "Caro—" Verdi aria
51 Author
52 Correct copy
53 Barnako's land
54 Indigo
55 Swirl
57 Branch
58 Modernist
59 Soft

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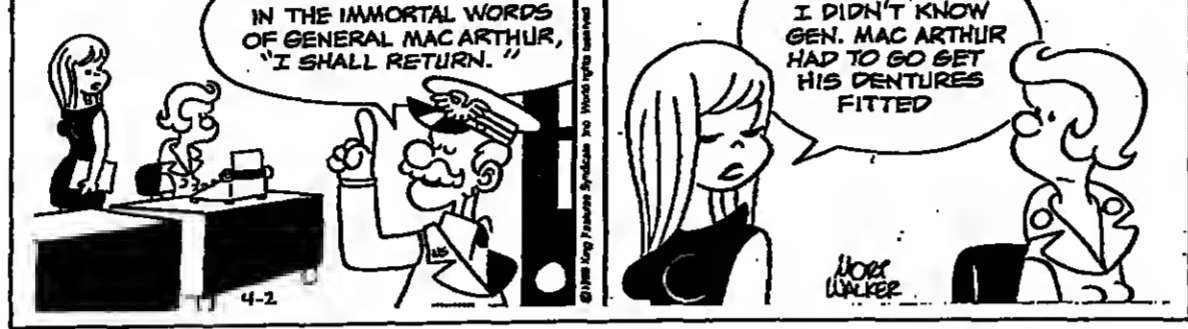
PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

AGLEE
TUSEG
LYKING
SLUDOH

Answers tomorrow

WEATHER

| EUROPE | MON | TUE | WED | THUR | FRI | SAT | SUN |
|-------------|-----|-----|-----|------|-----|-----|-----|
| Austria | C | F | C | F | C | F | C |
| Belgium | C | F | C | F | C | F | C |
| Denmark | C | F | C | F | C | F | C |
| France | C | F | C | F | C | F | C |
| Germany | C | F | C | F | C | F | C |
| Greece | C | F | C | F | C | F | C |
| Ireland | C | F | C | F | C | F | C |
| Italy | C | F | C | F | C | F | C |
| Japan | C | F | C | F | C | F | C |
| Netherlands | C | F | C | F | C | F | C |
| Portugal | C | F | C | F | C | F | C |
| Spain | C | F | C | F | C | F | C |
| Sweden | C | F | C | F | C | F | C |
| Switzerland | C | F | C | F | C | F | C |
| UK | C | F | C | F | C | F | C |
| USSR | C | F | C | F | C | F | C |

World Stock Markets

Via Agence France-Press April 1
Closing prices in local currencies unless otherwise indicated.

| Market | Index | Change |
|-----------|--------|--------|
| Amsterdam | 494.20 | +0.20 |
| Brussels | 248.20 | +0.20 |
| Frankfurt | 333.20 | +0.20 |
| London | 248.20 | +0.20 |
| Paris | 111.15 | +0.15 |
| Stockholm | 182.20 | +0.20 |
| Zurich | 125.20 | +0.20 |

Books

ON PERSEPHONE'S ISLAND:
A Sicilian Journal
By Mary Taylor Simeti. 311 pages. \$18.95.
Alfred A. Knopf, 201 East 40th Street, New York, N.Y. 10022.

Reviewed by Ben Morreale

MARY TAYLOR went to Sicily in 1962, product of "a distinguished family," she tells us, and adds, "I had had a distinguished academic record (Radcliffe) in my own right but somehow I had never discovered what all this promise was thought to portend. In Sicily I sought the space in which to sort out my own expectations from all the others."

She went there to work with Pantaleo Doici with the poet in and around Partinico. Doici was the son of Antonio Simeti, fell in love and married her. Persephone's Island is the odyssey of this tall young "Americana" who married into a Sicilian bourgeois family and raised her children in Palermo and in their beloved Bosco, a summer place near Alcamo. In telling her story she reflects upon the history, myths and legends that have filtered into the traditions of Sicily, and upon the island's problems and pleasures. We see all these with the freshness and amazement of the outsider.

The legend of Persephone, which ancient Sicily gave to the Greeks, is ever present. Demeter, goddess of grain, had a daughter, Persephone, who while gathering flowers in western Sicily was abducted by the god of the underworld, Demeter was so distraught that she prohibited any growth on Earth as long as her daughter was in the underworld. Through the intervention of Zeus a compromise was reached: Persephone would be shared, six months underground, when nothing would bloom, and six months above ground, when nature would bloom again.

Mary Taylor Simeti dwells upon the implications of the legend and its symbolism for herself and for Sicily. Such legends have intermingled with current practices, and the ancient gods are still alive in Sicily. Young women still throw out apples into the street on festival days — if not to some passing Paris, then to see the men they believe will be their husbands pick the apples off the street. There is much about Sicilian festivals, winemaking, cooking and food in "On Persephone's Island."

Simeti takes us to the cathedral of Palermo, where Frederic II lies buried, and to Monreale, where the scariest don't permit men or women wearing shorts to enter, for fear of offending the stern Byzantine Christ who peers down angrily from above the nave.

BOOKS

Simeti does not avoid the dark side of Sicily: the unbearable heat of August, the clammy feuds for power that, at higher levels, are reflected in the Mafia. She does not dwell on this; for the Sicilian bourgeoisie she has become part of its understandably ashamed of it, yet she is concerned enough to take part in an anti-Mafia demonstration. She only hints at the difficulties of the expatriate who sees her children losing their "Americanness." Toward the end she finds herself in the curious position of feeling her American identity challenged much as Sicilian immigrants who went to the United States had their identities challenged.

If there is a flaw in the book it is the long and repetitious descriptions, page after page, of flowers and grasses. But in the end, Simeti has done a rare thing: She has written a happy book about Sicily, yet one with an undercurrent of sadness, true to the reality of the island.

Ben Morreale, who has published three novels concerned with Sicily and is working on a history of Sicilian immigration to the United States, wrote this review for The Washington Post.

BEST SELLERS

The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

| Rank | Title | Author |
|------|-----------------------------------|--------------------------------------|
| 1 | THE BOURNE SUPREMACY | Robert Ludlum |
| 2 | LAKES WOBEGON DAYS | Garrison Keillor |
| 3 | THE MAMMOTH HUNTERS | John McMane |
| 4 | LIE DOWN WITH LIONS | Ken Follet |
| 5 | BREAK IN | Dick Francis |
| 6 | THE HANDMAID'S TALE | Margaret Atwood |
| 7 | SEASONS OF THE HEART | Cynthia Friedman |
| 8 | PRIVATE AFFAIRS | Judith Michael |
| 9 | HOME FRONT | Patricia Davis with Marvyn Braterman |
| 10 | TEXAS | James A. Michener |
| 11 | CYCLERS | Cive Casler |
| 12 | JOANNA'S HUSBAND AND DAVID'S WIFE | Elizabeth Forsythe Hailey |
| 13 | STONE 383 | Gerald A. Browne |
| 14 | THE ACCIDENTAL TOURIST | Anne Tyler |
| 15 | THE LEBARON SECRET | Stephen Birmingham |

BRIDGE

By Alan Truscott

ALL North-South pairs in a recent tournament faced a difficult problem on the diamond suit.

NORTH
♠ 7 5
♥ K 6
♦ A J 8 5 3
♣ A J 8 8

SOUTH
♠ A K 4
♥ Q J 8 5 3
♦ K 9 8 3
♣ Q 10 6

East and West were vulnerable. The bidding:
East Pass South West North
Pass 1 0 Pass 3 0
Pass 3 0 Pass 4 0
Pass 7 0 Pass Pass

West led the spade nine.

gramed deal. Seven clubs was an excellent contract but very difficult to reach. Those who succeeded, perhaps by an auction like that shown, had to be careful after the opening lead of a spade. With the actual distribution there were various ways to succeed, but South had to find a way to guard against a possible 4-1 trump split.

The correct plan was to win in the closed hand, lead to the diamond ace and ruff a diamond. Then dummy could be entered with a spade to the jack for another diamond ruff. This left the heart entries intact allowing declarer to take the king-queen of clubs and cross to the dummy to draw the remaining trumps. Notice that six no-trump, which some pairs attempted, is doomed to failure.

ROB H...
Mara...
Clay in

REBOARD

Champion-hip

Rockey

Seize the world.

The International Herald Tribune
Bringing the World's Most Important News to the World's Most Important Audience.

SPORTS

Louisville Beats Duke for NCAA Title

This Is the Game That Breaks Hearts

By John Feinstein

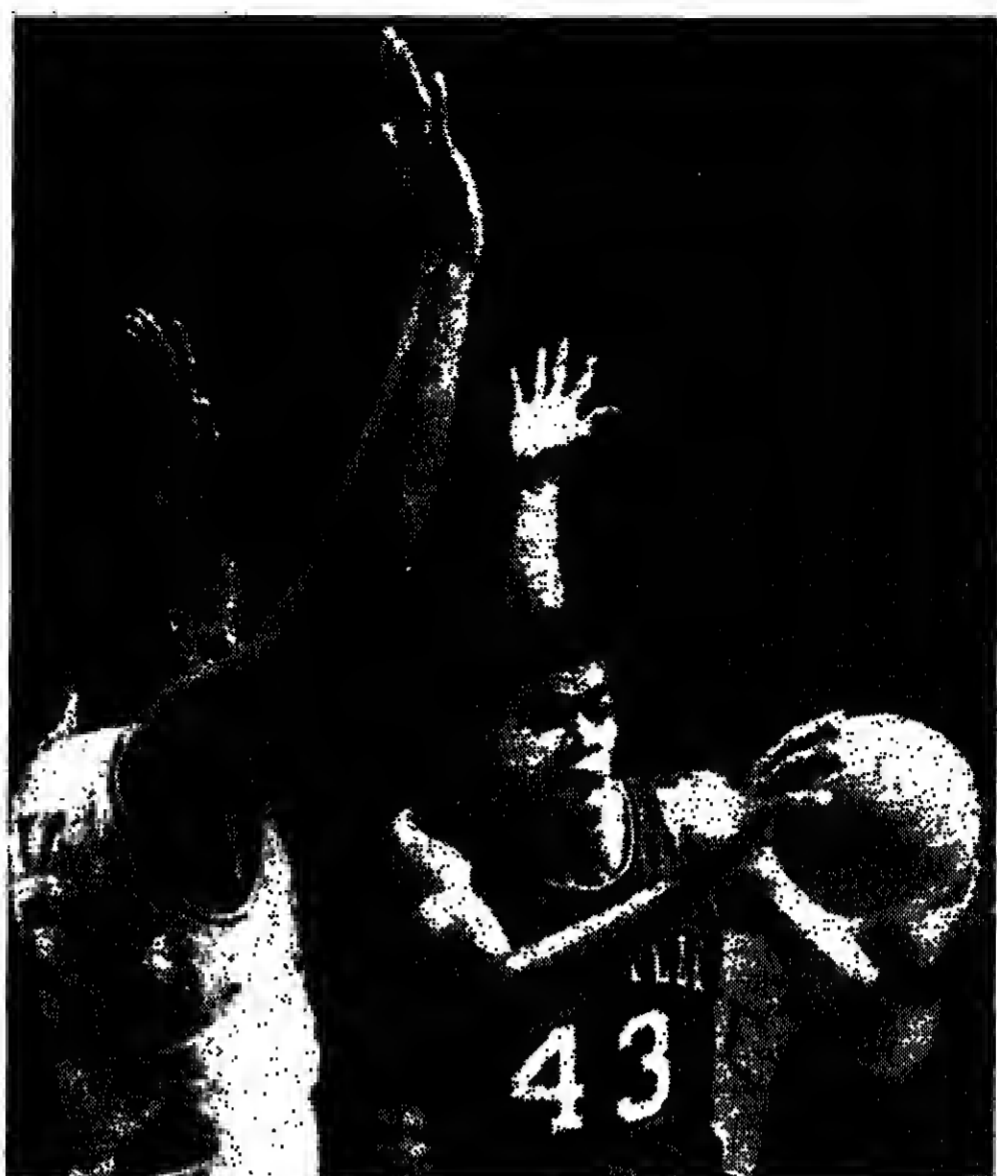
Washington Post Service

DALLAS — In victory Saturday, Duke's coach, Mike Krzyzewski, felt empathy for the losers: "The difference between elation and feeling crushed is so small," he said. "I really feel for Kansas. My heart goes out to them."

Monday night, Krzyzewski was on the other end. His college basketball team, which had won more games than any other in history, came within one jump shot, one roll of the ball and one rebound of the national championship.

But the jump shot rolled out, the roll went to Louisville and so, finally, did the rebound. And so it was the Cardinals who felt the elation, the Cardinals who cut the oets and the Cardinals who would remember Monday night as one of triumph.

And so, when the clock hit zero and the Reunion Arena scoreboard told him that Louisville 72, Duke 69, would not and could not be changed, Krzyzewski stood frozen for a split second.



Pervis Ellison, the freshman most valuable player, had Duke's players throwing up their hands as he made a pass. His four points in the closing minutes gave Louisville its victory.

Freshman Ellison MVP in 72-69 Win

By Michael Wilbon

Washington Post Service

DALLAS — Duke and Louisville made one pulsating play after another Monday night. Finally, it was a Louisville freshman, Pervis Ellison, who kept his composure like a veteran and led the seventh-ranked Cardinals to a 72-69 victory over top-ranked Duke for the NCAA tournament championship.

Ellison, a 6-foot-9-inch (2.05-meter) babe in braces who is bound to become one of college basketball's marquee players, took Jeff Hall's badly missed shot and nudged it into a lay-up with 38 seconds left for a 69-65 lead. And two free throws by the 18-year-old Ellison with 27 seconds left enabled the Cardinals to withstand Duke's final bit of fury and win their second NCAA title in seven seasons.

Ellison, with 25 points and 11 rebounds, became the first freshman to win the Final Four's outstanding player award since Arnie Ferrin of Utah in 1944. With 12 minutes left in the game, Louisville's two seniors and leading scorers, Billy Thompson and Mill Wagner, were on the bench with four fouls each. Duke had opened a six-point lead, and Ellison, who had some early foul trouble himself, was the player who had to come through for the Cardinals.

His three-point play cut Duke's lead in four. And a third layup, with 3:55 left, cut Duke's lead to 63-62. "He's a freshman, but he's not really a freshman, if you know what I mean," said teammate Herbert Crook. Duke still plotted victory in the closing seconds. Danny Ferry's basket with three seconds left closed the Blue Devils to 70-69, but their 21-game winning streak was stopped when Wagner made two free throws with two seconds left.

Duke, which finished at 37-3, a record number of victories for a college basketball season, led most of the game. But Thompson's short jumper with 2:47 left put Louisville ahead for good, 66-65, as it raised its record to 32-7. David Henderson, who did not play well in the tournament, missed five shots in Duke's final 11 possessions. And he was out the only Blue Devil to missfire. "We missed shots we normally hit a good percentage on," said the coach, Mike Krzyzewski. "That's what you do so many games this season."

At times the Blue Devils made only 40 percent of their shots. Henderson missed 10 of 15, Alarie 7 of 11, Tommy Amaker 7 of 10, Johnny Dawkins, smoking the Cardinals at the start of each half, was 10 of 19 for a team-high 24 points. With the Cardinals up, 66-65, Henderson missed a relatively open 15-foot jump shot. After a Duke timeout with 1:47 to play, Henderson missed again from the right side. The offensive rebound, one of the few the Blue Devils would get, went to Dawkins. But he missed from about 15 feet on the left side. Crook took down one of his 12 rebounds, and Louisville worked the ball into the front court before calling time with 48 seconds left on the game clock.

Their coach, Denny Crum, ordered a clear-out play for Hall, or Wagner, whoever got the ball first. "We tried to pressure each one of their players and force a bad shot," Alarie said. "That's what we did. But we didn't block out." The Blue Devils did not block out very well in the second half, which is why Louisville outrebounded them, 32-10, to help overcome Duke's 77-34 halftime lead. And this rebound was the most important of all. "I looked up and saw it was falling short," Ellison said. "I thought I was the only one who jumped because when I went up nobody was around." Nobody was, and Ellison put down the two-foot shot.

ROB HUGHES

Idol Maradona Displays Feet Of Clay in Paris

International Herald Tribune

LONDON — Diego Maradona began last Wednesday the perfect picture of idleness: A photograph in the newspaper France-Soir depicted the Argentine tenderly stroking the flowing locks of a small French girl, and the eyes of both child and superstar reflected innocence.

"La carriere d'une idole" read the almost superfluous headline: In even soccer needed such a symbol it is now. Alas, by that evening in Paris, Maradona was a soured genius; the image of the child and the superstar had disintegrated toward illusion.

The Argentine players kicked the French maliciously and Maradona, their captain, looked neither physically nor morally fit to lead a World Cup team two months from now. He squabbled, he spat, he sulked. Twice, he disgracefully mangled an alarmingly stoical Swiss referee.

I regret having to report that Maradona is one of three men on the planet capable of raising soccer to an art form. His brilliance should beat the cheats, not lead them. And there was, for 15 minutes, the hint of his virtuosity: a stunning header for such a little man, a flick-kick back heel, a devastating acceleration past Patrick Battiston.

But when teammates had not capitalized on those creative spurts, when the weakened French 11 began to exploit an Argentine rear guard that panicked on both flanks, the poison came out. Maradona stood an increasingly distant, accusing figure, lamenting the defense at his back and haranguing the referee with an energy he might sensibly have saved for action.

From time to time, galvanized by the sight of the ball, he stirred. We saw the mind telling him he is still the greatest ever seen him dart between Battiston and Max Bossis. But with Battiston sticking as close as flypaper, Maradona, instead of trusting his skills, again and again dived for free kicks. Even his theatrics were ill-timed. And when the referee told him as much Maradona pawed and jostled the official. What must the French girl have made of her idol then?

What must we, innocents ourselves in that we expect genius to perform in a cynical game, make of it? The ruin of Maradona runs deep. He has, at 25, become a millionaire. But he also has lived on the edge of assassins' boots, lived close to the surgeon's scalpel, lived too long in the company of an agent. His very shape has changed. The cube-like body has a new portliness, that tells of a whole year hiding from an operation that would make his knee whole again. His dark beard may try to suggest that the boy has become a man, but he is unfulfilled; he has won nothing and there is a joylessness about him on the field that pains the onlooker.

An even greater dissonance afflicts Bernd Schuster. The blond West German, his career significantly routed through Barcelona, was Maradona's last partner in crime — presumably for the last time — his country's call to Mexico. A week ago Franz Beckenbauer, a man with service truly to be proud of, broadcast that he had again asked Schuster, 26, to join the World Cup effort. "Bernd is always most welcome," said Beckenbauer. "I offer him open door — if he likes to play for his country, O.K., come, put on the jersey and play. If not, stay away."

Schuster, often too tired, too pained, too temperamental to turn out for Barcelona, announced Monday that he would not join Beckenbauer's World Cup team. Maradona, at least, still has the time to be there for the World Cup kickoff. But Oswaldo Ardiles, an Argentine past his prime, wrote after the last



Diego Maradona, before match in Paris.

World Cup that Maradona had never had the chance to be young and foolish, that he became "a corporation, a commodity of which someone always wants something extra."

Always another plane to catch, another contract to sign, another meaningless friendly match to play. "The price was the sacrifice of his youth," said Ardiles. You can say that again. Last weekend, Argentina and Naples, whose demands, between them, have left Maradona with no time for a knee operation, played a friendly. Three weeks from now, Maradona is due in London for a testimonial featuring Tottenham and the Glasgow Rangers.

The beneficiary of that night's friendly? Ozzie Arfilla. All too soon, they will be turning out for Maradona. The cycle is unforgiving, and quickening. But instead of savoring his time, Maradona cheats himself, he attempts to cheat the referee, and he cheats our demands for performance above the norm. He is already an influence on the next batch of gifted but volatile Argentine youths.

Wednesday he teamed up with Claudio Borghi, a 20-year-old of pace, balance and touch. The combination, according to the Argentine manager, Carlos Bilardo, will break any defense. It might. A rainy, windy night in Paris is not a foolproof guide to the what Argentine explosion may be possible under the Mexican sun — and we have seen enough to know that Maradona can confound his detractors.

But young Borghi did not last the match in Paris, either. He was sent off, rightly, after 56 minutes for his second crude foul of the game. Maradona led the protests for four minutes. However, Borghi's mentor is not Maradona. It is Bilardo, a coach who saw on wrong in Paris and swears the ejection was as unjust as his own three expulsions when he was a player. The players today, Bilardo has pointed out, need guidance and discipline; they come to him from an education often restricted to soccer wastelands.

There was no doubt that the better education last Wednesday was that of Maxime Bossis. Now 31, he captained a side bereft of Michel Platini, Alain Giresse and José Touré, and which was missing the new young striker, Papin Norman. The French kicked back occasionally but hard. The team, however, followed Bossis' example to come through from the back intact on neither surrendering to brutality nor abandoning the object of goal scoring.

The 2-1 victory was thus sweet, though we well know the princess of Paris have yet to hold form away from their castle. In Latin America, surely, South Americans will rule. Argentina, in the opening quarter-hour, looked more ready for a World Cup match than Brazil had in Europe two weeks ago. But Argentina is rated the second favorite, based on Maradona.

"Genius," Joe Mercer, a former England player and manager, used to say, "is large when it is on song. When it goes off, it contaminates." For soccer's sake let us hope that Paris was an aberration, a false reflection. Nice guy in the morning, villain by night — how much of Maradona will be served up by Mexico's mid-day stars.

U.S. College Basketball

Table with columns for Regional Tournaments (West Regional, East Regional, Midwest Regional, South Regional) and Final Four participants.

Tournament Leaders

Table listing leaders in the 1986 NCAA Tournament across various sports like Volleyball, Basketball, Soccer, etc.

College Top 20

Table listing the top 20 teams in various college sports such as Football, Basketball, Soccer, etc.

Exhibition Baseball

Table listing exhibition baseball games between various college teams.

Soccer

Table listing soccer games and results from various leagues.

Transition

Transition section containing news snippets about sports figures and events.

NCAA Championship

Table showing NCAA Championship box scores for various sports.

Tournament Results

Table showing results from various regional and national tournaments.

Hockey

Table showing NHL Standings for various divisions.

NHL Standings

Table showing NHL Standings for various divisions.

Monday's Results

Table showing results from Monday's sports events.

Transition

Transition section containing news snippets about sports figures and events.

Advertisement for GARRARD watches, featuring a watch image and text: 'Since 1735 Masterpieces of swiss watchmaking art'.

